



ABL ISLAMIC STOCK FUND
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Annual **REPORT**



ABL Asset Management

Discover the potential

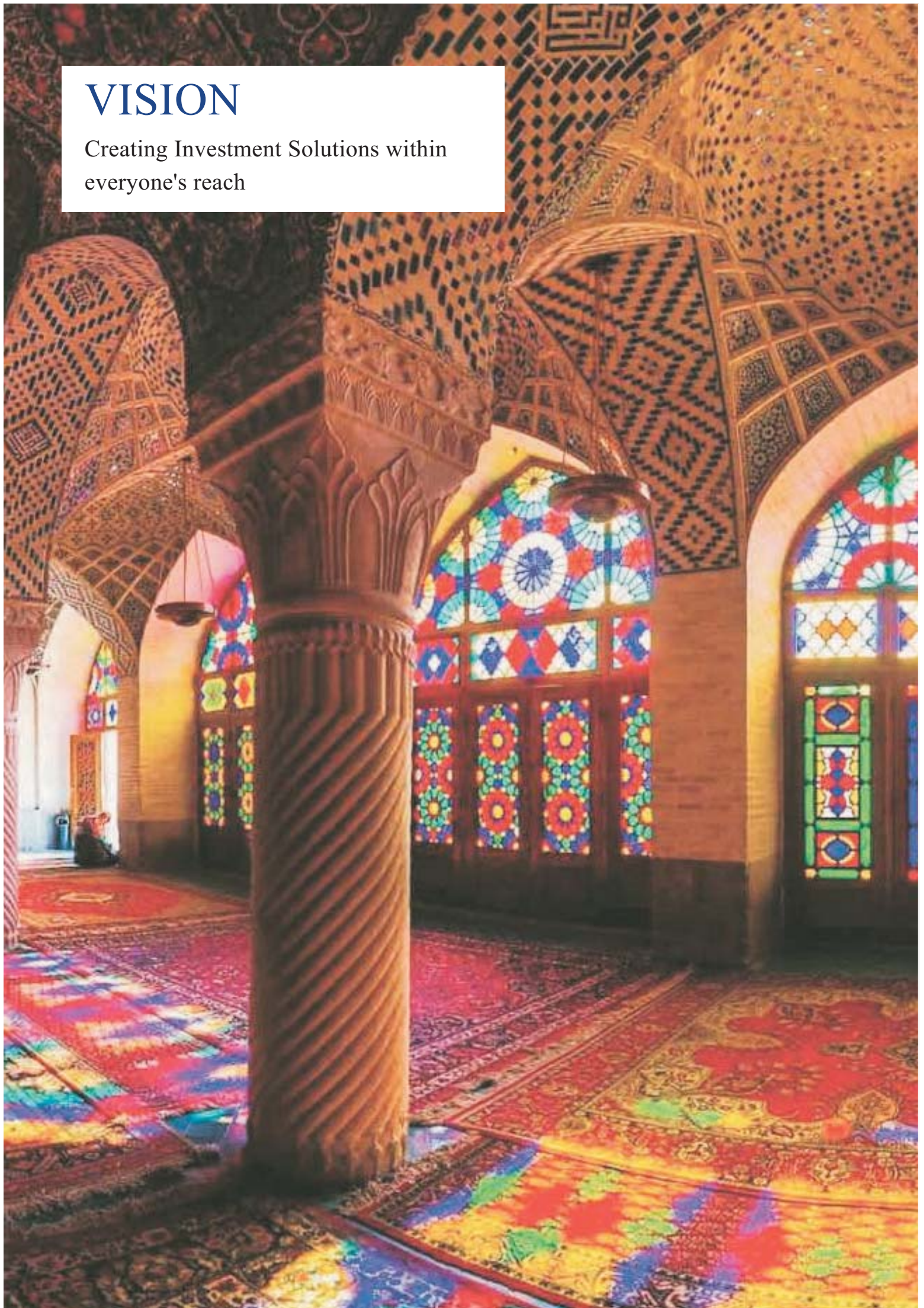


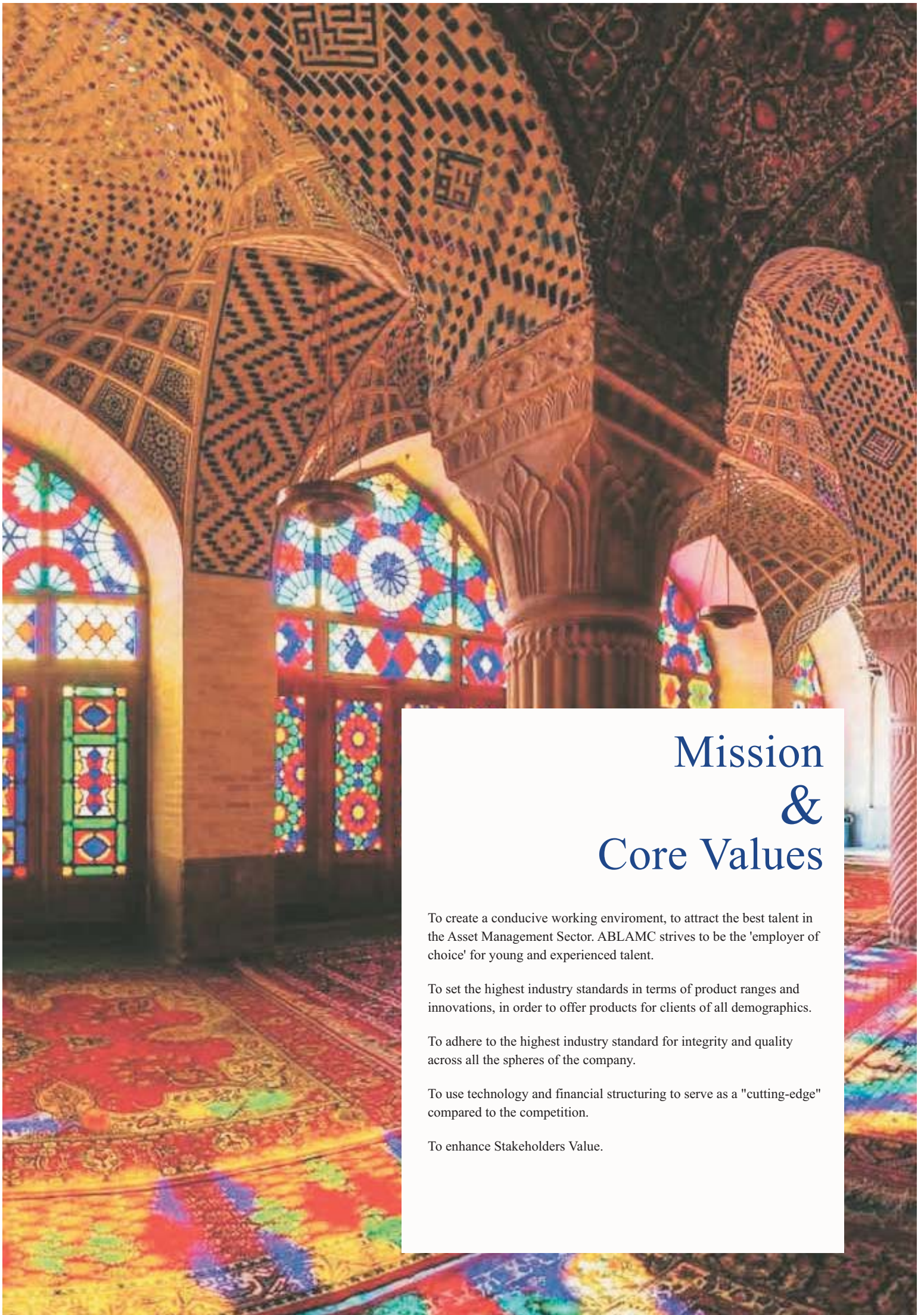
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VISION

Creating Investment Solutions within everyone's reach





Mission & Core Values

To create a conducive working environment, to attract the best talent in the Asset Management Sector. ABLAMC strives to be the 'employer of choice' for young and experienced talent.

To set the highest industry standards in terms of product ranges and innovations, in order to offer products for clients of all demographics.

To adhere to the highest industry standard for integrity and quality across all the spheres of the company.

To use technology and financial structuring to serve as a "cutting-edge" compared to the competition.

To enhance Stakeholders Value.



FUND'S INFORMATION

Management Company:	ABL Asset Management Company Limited Plot/Building # 14, Main Boulevard, DHA, Phase - VI, Lahore - 54810	
Board of Directors:	Sheikh Mukhtar Ahmed Mr. Mohammad Naem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Aizid Razzaq Gill Ms. Saira Shahid Hussain Mr. Pervaiz Iqbal Butt Mr. Muhammad Kamran Shehzad	Chairman Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Independent Director Independent Director
Audit Committee:	Mr. Muhammad Kamran Shehzad Mr. Muhammad Waseem Mukhtar Mr. Pervaiz Iqbal Butt	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Muhammad Waseem Mukhtar Mr. Muhammad Kamran Shehzad Mr. Pervaiz Iqbal Butt Mr. Naveed Nasim	Chairman Member Member Member
Board's Risk Management Committee	Mr. Muhammad Kamran Shehzad Mr. Pervaiz Iqbal Butt Mr. Naveed Nasim	Chairman Member Member
Board Strategic Planning & Monitoring Committee	Mr. Muhammad Waseem Mukhtar Mr. Muhammad Kamran Shehzad Mr. Pervaiz Iqbal Butt Mr. Naveed Nasim	Chairman Member Member Member
Chief Executive Officer of The Management Company:	Mr. Naveed Nasim	
Chief Financial Officer & Company Secretary:	Mr. Saqib Matin	
Chief Internal Auditor:	Mr. Kamran Shehzad	
Trustee:	Digital Custodian Company Limited 4th Floor, Perdesi House, Old Queen's Road, Karachi, 74200	
Bankers to the Fund:	Allied Bank Limited Bank Islami Pakistan Limited Dubai Islamic Bank Limited	
Auditors:	M/s. A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, Karachi	
Legal Advisor:	Ijaz Ahmed & Associates Advocates & Legal Consultants No. 7, 11th Zamzama Street, Phase V DHA Karachi.	
Registrar:	ABL Asset Management Company Limited L - 48, DHA Phase - VI, Lahore - 74500	

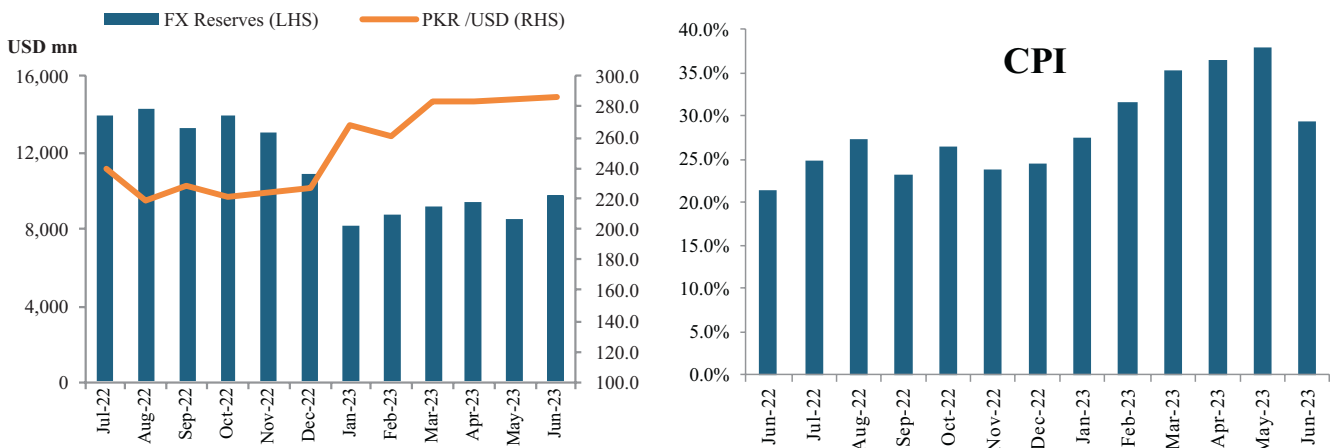


REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

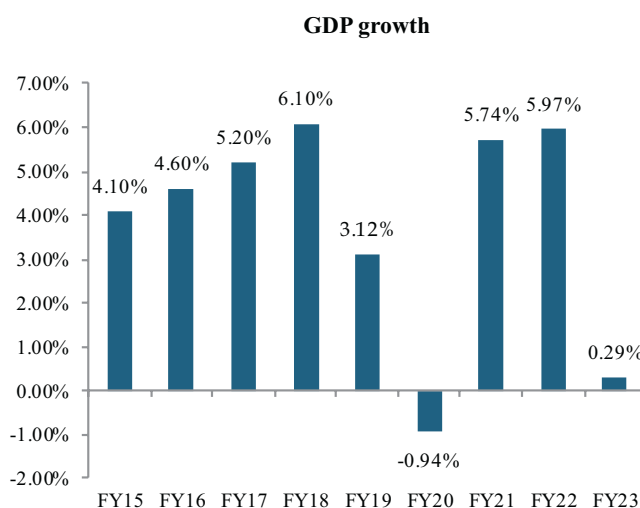
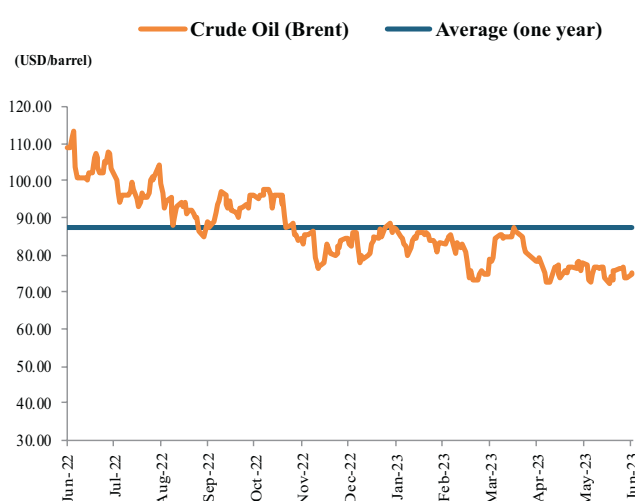
The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Islamic Stock Fund (ABL-ISF), is pleased to present the Audited Financial Statements of ABL Islamic Stock Fund for the year ended June 30, 2023.

ECONOMIC PERFORMANCE REVIEW

The economic landscape has been marred by a series of severe macroeconomic imbalances, twin deficit, an unprecedented flood, supply shocks, political instability and global economic slowdown. As a result, the overall economic growth for FY23 has been hampered with a mere 0.3% year on year growth rate. However, it is worth noticing that the agriculture and services sector contributed positively in this meagre economic growth trajectory by posting growth of 1.6% and 0.9% respectively whereas, performance of industrial sector remained dismal, exhibiting negative growth of 2.9% during the same period. The lackluster performance of industrial growth was primarily driven by restrictive import policy amidst dwindling foreign exchange reserves. The limitations imposed on the import of industrial raw material remained obstacles in production process, negatively impacting large-scale manufacturing. The per capita income has witnessed a decline from USD 1765 to USD 1568 in FY23. This deceleration can be ascribed to depreciation of PKR relative to USD and contraction of gross domestic product (GDP).



Throughout FY23, the consumer price index (CPI) has presented worrisome picture with the average inflation rate reaching 29.0%YoY against the 12.1%YOY in the corresponding period last year. This significant increase in price has been observed across various sectors, including transportation, housing, and food. The historic high inflation attributed to several factors such as hike in energy tariffs, elevated fuel prices, depreciating PKR relative to USD and supply shocks resulting from an unprecedented flood in the country. Reflection of aforementioned factors observed in food index which contributed most in headline inflation. Looking ahead, we anticipate that full year inflation would remain in double digits. The thesis is premised on expected hike in electricity & gas tariff to fulfill the IMF requirement which would directly or indirectly push up the CPI index. Furthermore, anticipated depreciation of PKR due to market-based exchange rate and lifting of import ban may also contribute to an upward trend in price level.



On the balance of payment front, the country has achieved a significant improvement by posting a cumulative deficit of USD 2.9bn against the deficit of USD 15.2bn in the same period last year. This reduction in the current account deficit can be primarily attributed to a 35.1% year-on-year decline in the trade deficit, which has been achieved through measures aimed at curtailing imports. Furthermore, remittances have decreased by 15.8% amounting to USD 27bn. It is noteworthy that a substantial disparity remained between the exchange rates in the interbank and open market, allowing foreigners the opportunity to exchange currency at the open market rate resultantly, remittance have declined. Foreign exchange reserves of country stood at USD 9.1bn as of June 30, 2023 providing total import cover of ~ 2 months.

MUTUAL FUND INDUSTRY REVIEW FY23

Total assets under management (AUMs) of the open-end mutual fund industry posted a growth of 29% during FY23 (from PKR 1274 billion to PKR 1643 billion), mainly on account of substantial flows in money market and fixed income funds due to rising interest rates, alongside rising T-bills and PIBs yields. Equity market funds, including Conventional and Islamic, witnessed a decline of 29% to close the period at PKR 130.4 billion. Although, the total money market and fixed income funds' AUMs increased by 35% and 46% to PKR 917 billion and PKR 438 billion, respectively.

ISLAMIC EQUITY MARKET REVIEW

During FY23, the KMI-30 index showed a meager performance, posting an increase of 2.88%YoY, and closed at 70,748 points. Overall the economic and political situation remained frail during the concerned period. Initially, the government seemed unable to fully revive the IMF program which caused serious concerns among investors. Several indicators reached at record levels e.g. policy rate at 22%, CPI for the month of May'23 at 38% and PKR continuously lost its value and closed the period at 286.5PKR/USD. However, after making continuous efforts Pakistan was successful in achieving a significant breakthrough by signing a Standby Arrangement with IMF worth USD 3bn on last day of the fiscal year which provided a sigh of relief to the economy.

Average traded volume increased by ~6%YoY while the value decreased by ~38%YoY to 56 million and ~USD 13 million, respectively. Foreigners bought worth ~USD 1 million shares during the said period. On the local front, mutual funds and insurance companies, remained on the forefront with a net selling of worth ~USD 144 million, and ~USD 124 million, respectively.

Sectors contributing to the index strength were Fertilizers, and Cement adding 2,281, and 1,220 points, respectively. On the flip side, Oil & Gas Marketing Companies, and Chemical sectors negatively impacted the index subtracting 868 and 840 points, respectively.

Going forward, we believe that a successful follow through on IMF's stand by arrangement, dissolution/completion of assemblies' tenor in August and general elections afterwards will remain a key focus in determining the market's fate.

SECTOR OVERVIEW

AUTOMOBILE SECTOR

Pakistan automobile sector has seen a decline of around 59% YOY in sales of passenger cars clocking in at 96,812 units in FY23 as compared with 234,180 units in FY22. YOY sales volumes for listed players INDU, HCAR, and PSMC decreased by 58%, 57% and 57% respectively in the said period. This sharp decline in FY23 is due to import restrictions, high interest rates, and extremely high prices of cars amid spiraling inflation and PKR depreciation. Going forward, we believe that the industry will observe similar trends in auto sales unless the economic situation is reversed.

Oil and Gas Sector

The oil and gas exploration sector's earnings for FY23 are expected to show a reasonable jump due to the sharp Pak Rupee depreciation against the greenback, which augmented these companies' revenues and resulted in hefty exchange gains. However, oil and gas production declined by 6% and 4% YoY, respectively due to natural decline at major fields such as Mela, Nashpa, KPD-TAY, Adhi, Uch, Sui, Qadirpur, Maramzai, and Mardenkhel. Furthermore, due to the shortage of FX reserves held by SBP, the companies faced issues importing equipment, spare parts, and other materials to undertake drilling activity, resulting in lower wells being spud during the year. Meanwhile, the overdue receivables related to the circular debt of companies settlement will re-rate multiples. In addition to this, the MARI completed its Sachal Gas Processing Complex Project in FY23, which is now adding 150 mmcfd of gas.

Banking Sector

The banking sector outperformed KSE100 by 2.03% (total return 1.15%) during 1HCY23. In terms of profitability, during 2QCY23, the banking sector is expected to post jump in YoY earnings driven by higher NIMs amid policy rate hikes and strong balance sheet growth.

Improved NIMs are anticipated through a higher yield on investment, primarily from floater bonds and T-bills, along with a higher yield on advances, given the record high yields and KIBOR.

However, it is important to note that an increase in the super tax rate in FY24 budget, from 4% to 10% will have an adverse impact on the overall profitability banking sector. This will result in QoQ decline in earnings of banks.

Banking industry's advances were up by 3.1% QoQ by Jun'23 end, lower than deposit growth of 8.2% QoQ, which took the overall ADR of the banking sector to 47.8%.

IDR of the banking sector remained at 81.9% as at Jun'23 as banks focused on secured returns through government papers.

Average lending rate during the period inched higher to 19.4% by May'23 (up by a 693 bps YoY).

Going forward, we expect banks to continue investing in high-yielding bonds along with the prudent lending approach to support asset yields.

Besides, banks may witness slight jump in FX income amid currency volatility (2QCY23 avg.: -0.77%).

The OpEx is also going to remain high due to increased inflationary pressure (CPI 2QCY23 avg.: 34.6% vs. 1QCY23 avg. 31.5%).

POWER SECTOR

The power sector exhibited significant underperformance when compared to KSE-100 index, as it posted negative return 19.0%YoY, in contrast to the marginal reduction of benchmark by 0.2%YoY. The lackluster performance of power sector can primarily be attributed to liquidity issues faced by independent power producers, stemming from the mounting circular debt. According to reports, circular debt of power sector has reached to PKR~2.6tn and getting increase of ~50-55bn on monthly basis. Looking ahead, power sector may benefit from the conditions imposed by IMF regarding curtailment of further pile up of circular debt by increasing electricity tariff.

FERTILIZER

SECTOR

During FY23, the fertilizer sector exhibited an underperformance relative to benchmark, as it recorded a negative return of 9.6% against the decline of benchmark of 0.2%. This dismal performance of the sector could be attributed to decline in offtakes of fertilizer products, witnessed from the numbers reported by the National Fertilizer Development Center (NFDC). Urea offtakes declined by 7.0% YoY and DAP offtakes declined by 29.0% YoY during the same period. Higher prices particularly DAP amidst devastating flood in the country remained primary reasons of less usage of fertilizer products by farmers. Although commodity prices in international market have cooled down to some extent, they still provide room for domestic players to increase price to pass on the impact of expected hike in gas price to fulfill the IMF requirement.

TECHNOLOGY & COMMUNICATION

The technology sector demonstrated outstanding performance by surpassing the benchmark, achieving a positive return of 11.4% year-on-year, while the benchmark experienced a negative return of 0.2% year-on-year. This remarkable outperformance can be attributed to the advantages derived from the technology sector's export-oriented business model, which benefited significantly from the appreciation of the US dollar relative PKR.

CEMENT

Cement sector exhibited tremendous performance by posting positive return of 12.2%YoY compared to benchmark negative return of 0.2%YoY. This remarkable performance could be attributed to the increased investment in cement stocks driven by cheap valuation which coincided with decline in coal price in international market. As we look ahead, construction sector may remain under pressure due to election year, which often introduces uncertainties and may lead to cautious spending in the construction industry. Furthermore, there is an anticipated reduction in the Public Sector Development Program (PSDP) as part of the measures to meet the conditions set by the IMF.

FUND PERFORMANCE

For the year ended FY 23, ABL-ISF delivered a negative return of 0.91% against the benchmark return of 2.88%, reflecting an underperformance of 3.79%. During the year ABL Islamic Stock Fund's AUM decreased by 59% and stood at Rs. 1.111 billion on 30th June'23 as compared to Rs. 2.707 billion on 30th June'22

ABL-ISF is the best performing fund in Islamic Equity Fund category. ABL-ISF posted a return since inception of 65.15% against the benchmark return of 86.44%.

ADDITIONAL MATTERS

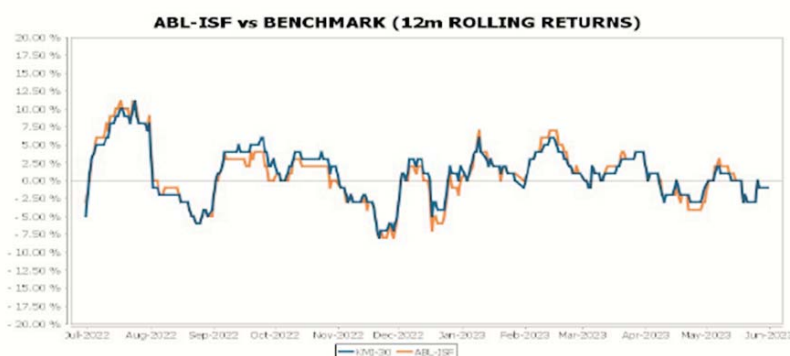
1. The detail of Directors of the Management Company is disclosed in this Annual Report.
2. Financial Statements present fairly the state of affairs, the results of operations, cash flows and the changes in unit holder's fund;
3. Proper books of accounts of the Fund have been maintained
4. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments;
5. Relevant International Accounting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 & Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the Trust Deed and directives issued by the Securities and Exchange Commission of Pakistan, have been followed in the preparation of the financial statements;
6. The system of internal control is sound in design and has been effectively implemented and monitored;
7. There have been no significant doubts upon the Funds' ability to continue as going concern;
8. Performance table of the Fund is given on page # 14 of the Annual Report;
9. There is no statutory payment on account of taxes, duties, levies and charges outstanding other than already disclosed in the financial statements;
10. The statement as to the value of investments of Provident Fund is not applicable in the case of the Fund as employee's retirement benefits expenses are borne by the Management Company;
11. The pattern of unit holding as at June 30, 2023 is given in note No. 27 of the Financial Statements.

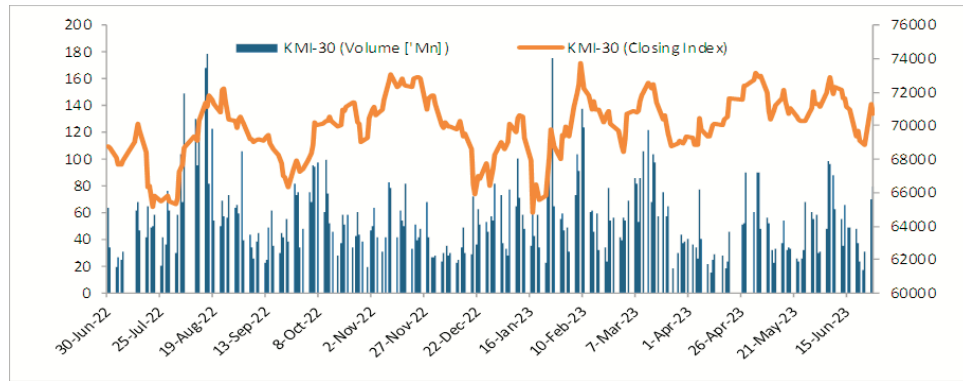
AUDITORS

M/s. A.F. Ferguson & Co. (Chartered Accountants), have been re-appointed as auditors for the year ending June 30, 2024 for ABL Islamic Stock Fund (ABL-ISF).

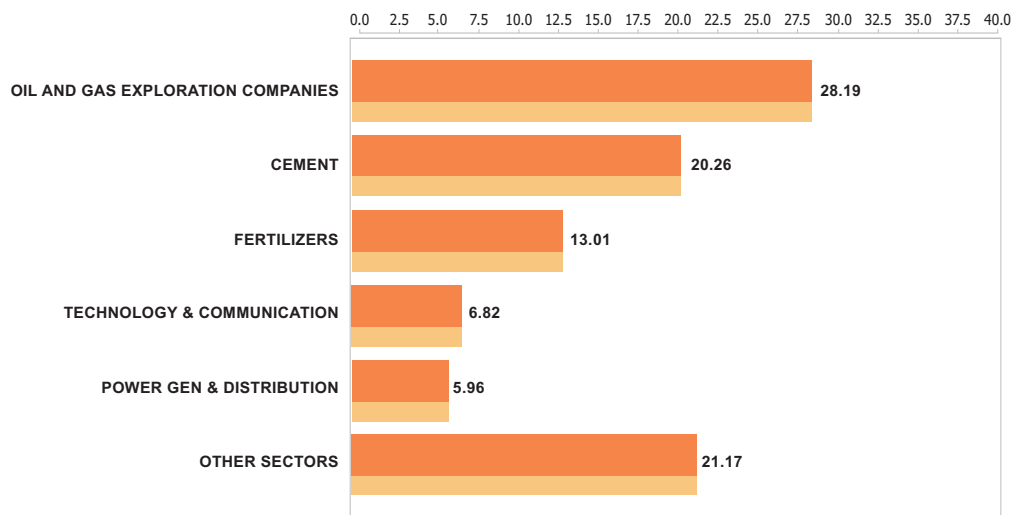
MANAGEMENT QUALITY RATING

On December 31, 2021: VIS Credit Rating Company Limited (VIS) has reaffirmed the Management Quality Rating (MQR) of ABL Asset Management Company (ABL AMC) at 'AM2++' (AM-Two-Double Plus). Outlook on the assigned rating is 'Positive'.





SECTOR ALLOCATION (% OF TOTAL ASSETS)



OUTLOOK

Market remained under intense pressure during FY23 due to multiple factors including, skyrocketing prices of commodities in the international market, devastating floods in the country, dwindling foreign exchange reserves and political instability. All these aforementioned factors contributed in pushing up the CPI index as it reached historic high level. Furthermore, adoption of contractionary monetary policy by central bank kept the performance of equity market in check. Going forward, we expect equity market to perform as the commodity prices have cooled down in the international market amidst anticipated recession worldwide. Moreover, expected domestic political stability after the elections will also create a positive momentum.

ACKNOWLEDGEMENT

We thank our valued investors who have placed their confidence in us. The Board is also thankful to Securities & Exchange Commission of Pakistan, the Trustee (Digital Custodian Company Limited) and the management of Pakistan Stock Exchange Limited for their continued guidance and support. The Directors also appreciate the efforts put in by the management team.

For and on behalf of the Board

Director
Lahore, August 24, 2023

Naveed Nasim
Chief Executive Officer





FUND MANAGER REPORT

OBJECTIVE

To provide higher risk adjusted returns over the long term by investing in a diversified Islamic portfolio of equity instruments offering capital gain and dividends.

EQUITY MARKET REVIEW

During FY23, the KMI-30 index showed a meager performance, posting an increase of 2.88%YoY, and closed at 70,748 points. Overall the economic and political situation remained frail during the concerned period. Initially, the government seemed unable to fully revive the IMF program which caused serious concerns among investors. Several indicators reached at record levels e.g. policy rate at 22%, CPI for the month of May'23 at 38% and PKR continuously lost its value and closed the period at 286.5PKR/USD. However, after making continuous efforts Pakistan was successful in achieving a significant breakthrough by signing a Standby Arrangement with IMF worth USD 3bn on last day of the fiscal year which provided a sigh of relief to the economy.

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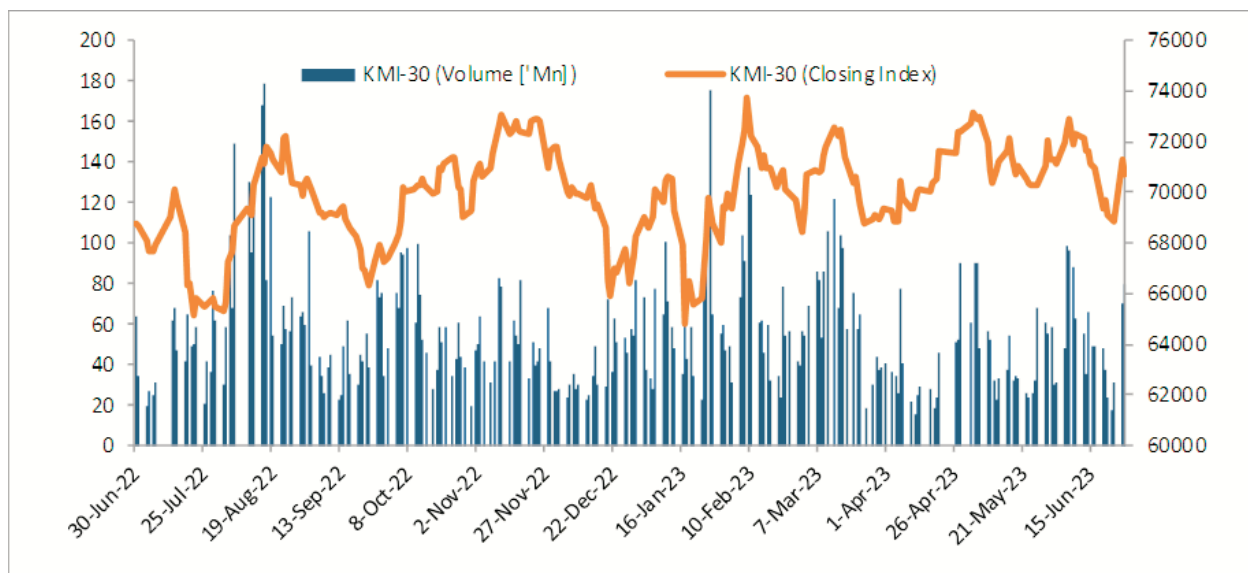
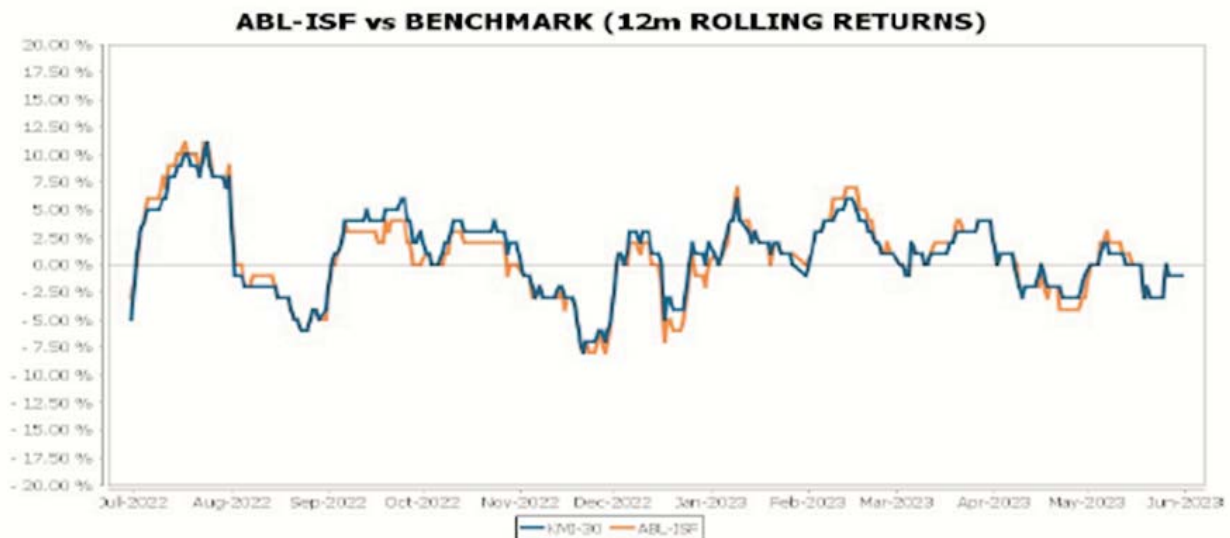
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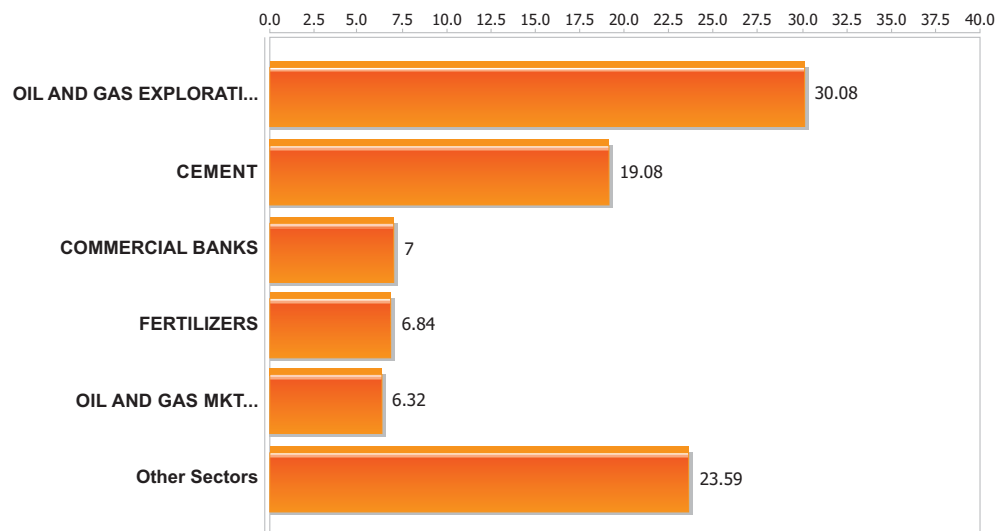
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SECTOR ALLOCATION (% OF TOTAL ASSETS)



OUTLOOK

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PERFORMANCE TABLE

	June 2023	June 2022	June 2021	June 2020	June 2019	June 2018
	------(Rupees per '000)-----					
Net Assets	1,111,588	2,707,158	2,876,635	2,316,576	1,976,927	2,422,752
Net Income / (loss)	(11,054)	(656,230)	818,419	3,271	(385,453)	(456,092)
	------(Rupees per unit)-----					
Net Assets value	13.0562	13.1756	16.2244	12.2004	12.1326	14.5558
Interim distribution*	-	-	-	-	-	-
Final distribution	-	-	0.2226	0.0172	-	-
Distribution date final	-	-	June 27, 2021	June 29, 2020	-	-
Closing offer price	13.3591	13.4813	16.6008	12.4834	12.3753	14.8469
Closing repurchase price	13.0562	13.1756	16.2244	12.2004	12.1326	14.5558
Highest offer price	14.5089	17.3618	17.6216	15.7062	15.3750	17.9951
Lowest offer price	12.2978	13.1485	12.7977	9.3760	12.0365	13.9256
Highest repurchase price per unit	14.1799	16.9681	17.2220	15.3501	15.0735	17.6423
Lowest repurchase price per unit	12.0190	12.8504	12.5075	9.1634	11.8005	13.6525
	-----Percentage-----					
Total return of the fund						
- capital growth	-0.91%	-18.79%	32.74%	0.39%	-16.65%	-15.93%
- income distribution	0.00%	0.00%	2.23%	0.17%	0.00%	0.00%
Average return of the fund						
First Year	-0.91%	-18.79%	34.97%	0.56%	-16.65%	-15.93%
Second Year	-19.53%	9.61%	35.73%	-16.18%	-29.93%	10.28%
Third Year	8.62%	10.22%	13.13%	-29.54%	-8.08%	16.43%
Fourth Year	9.22%	-8.13%	-4.89%	-7.56%	-2.95%	50.23%
Fifth Year	-8.96%	-22.76%	24.76%	-2.41%	25.22%	87.28%
Sixth Year	-23.46%	1.32%	31.72%	25.92%	56.10%	-
Seventh Year	0.40%	6.97%	69.95%	56.97%	-	-
Eighth Year	6.00%	38.02%	111.88%	-	-	-
Ninth Year	36.77%	72.06%	-	-	-	-
Tenth Year	70.50%	-	-	-	-	-
Since Inception	65.15%	66.66%	105.22%	51.89%	51.05%	81.22%

Disclaimer

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.



REPORT OF THE TRUSTEE TO THE UNIT HOLDERS
ABL ISLAMIC STOCK FUND

Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

ABL Islamic Stock Fund, an open-end Scheme established under a Trust Deed dated May 15, 2013 executed between ABL Asset Management Company Limited, as the Management Company and Digital Custodian Company Limited, as the Trustee. The fund commenced its operation on June 12, 2013.

1. ABL Asset Management Company Limited, the Management Company of ABL Islamic Stock Fund has, in all material respects, managed ABL Islamic Stock Fund during the period ended June 30, 2023 in accordance with the provisions of the following:
 - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
 - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
 - (iii) the creation and cancellation of units are carried out in accordance with the deed;
 - (iv) and any regulatory requirement.

Dabeer Khan
Manager Compliance
Digital Custodian Company Limited

Karachi: August 30, 2023

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September 19, 2023

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الحمد لله رب العالمين، والصلاة والسلام على سيد الأئبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2023 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in ABL Islamic Stock Fund managed by ABL Asset Management Limited are halal and in accordance with Shariah principles.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

والله أعلم بالصواب، وصلى الله على نبينا محمد وعلى آله وصحبه وبارك وسلم

For and on behalf of Al-Hilal Shariah Advisors (Pvt.) Limited.



Mufti Irshad Ahmad Aijaz
Member Shariah Council



Faraz Younus Bandukda, CFA
Chief Executive

INDEPENDENT REASONABLE ASSURANCE REPORT TO THE UNIT HOLDERS OF ABL ISLAMIC STOCK FUND ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

Introduction

We were engaged by the Board of Directors of **ABL Asset Management Company Limited** (the Management Company) to report on the Management Company's assessment of compliance with the Shariah Principles of **ABL Islamic Stock Fund** (the Fund), as set out in the annexed Statement of Compliance with the Shariah Principles (the Statement) prepared by the Management Company for the year ended June 30, 2023, in the form of an independent reasonable assurance conclusion about whether the annexed statement reflects, in all material respects the status of compliance of the Fund with the Shariah Principles as specified in the Offering Document and the guidelines issued by the Shariah Advisor. Our engagement was conducted by a team of assurance practitioners.

Applicable Criteria

The criteria for the assurance engagement against which the annexed Statement has been assessed comprises of the Shariah Principles as specified in the Offering Document and the guidelines issued by the Shariah Advisor (the Shariah Principles).

Management's Responsibility for Shariah Compliance

The Management Company of the Fund is responsible for preparation of the annexed Statement that is free from material misstatement. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the annexed Statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Fund with the Shariah Principles.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The Firm applies International Standard on Quality Control (ISQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility and summary of work performed

Our responsibility is to examine the annexed Statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement reflects the status of compliance of the Fund with the Shariah Principles as specified in the Offering Document and the guidelines issued by the Shariah Advisor, in all material respects.

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■ KARACHI ■ LAHORE ■ ISLAMABAD



The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Shariah Principles, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Fund's compliance with the Shariah Principles, in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of the Management Company's internal control over the Fund's compliance with the Shariah Principles. A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Shariah Principles, and consequently cannot provide absolute assurance that the objective of compliance with the Shariah Principles, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

The procedures performed primarily comprised the following:

- checking compliance of specific guidelines relating to charity, maintaining bank accounts and for making investments of the Fund.
- checking that the Shariah Advisor has certified that the operations of the Fund, its investments and placements made during the year ended June 30, 2023 are in compliance with the Shariah Principles.

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the procedures performed during our reasonable assurance engagement, we report that in our opinion, the annexed Statement presents fairly, in all material respects, the status of the Fund's compliance with the Shariah Principles specified in the Offering Document and in the guidelines issued by the Shariah Advisor for the year ended June 30, 2023.

A.F. Ferguson & Co.

A.F. Ferguson & Co.

Chartered Accountants

Dated: September 27, 2023

Karachi

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of ABL Islamic Stock Fund
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ABL Islamic Stock Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p>Net Asset Value (Refer note 5 to the annexed financial statements)</p> <p>The investments constitute the most significant component of the net asset value (NAV). The investments of the Fund as at June 30, 2023 amounted to Rs. 1,121.116 million.</p> <p>The existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> tested the design and operating effectiveness of the key controls for valuation of investments. obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2023 and traced balances in these confirmations with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed. re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.

Affo

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.



A.F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: September 27, 2023

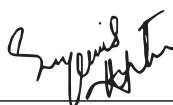
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ABL ISLAMIC STOCK FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023

	Note	2023 ----- Rupees in '000 -----	2022
Assets			
Bank balances	4	43,874	186,238
Investments	5	1,121,116	2,581,274
Dividend and profit receivable	6	435	2,416
Deposits and other receivable	7	9,672	8,124
Receivable against issuance and conversion of units		-	150
Receivable against sale of investments - net		-	7
Total assets		1,175,097	2,778,209
Liabilities			
Payable to ABL Asset Management Company Limited - Management Company	8	37,547	59,015
Payable to Digital Custodian Company Limited - Trustee	9	101	167
Payable to the Securities and Exchange Commission of Pakistan	10	362	620
Payable against redemption and conversion of units		14,913	-
Payable against purchase of investments - net		898	-
Accrued expenses and other liabilities	11	9,688	11,249
Total liabilities		63,509	71,051
NET ASSETS		1,111,588	2,707,158
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,111,588	2,707,158
CONTINGENCIES AND COMMITMENTS			
	12		
		Number of units	
NUMBER OF UNITS IN ISSUE		85,138,664	205,466,590
		Rupees	
NET ASSET VALUE PER UNIT		13.0562	13.1756

The annexed notes from 1 to 28 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)



Saqib Matin
Chief Financial Officer



Naveed Nasim
Chief Executive Officer



Pervaiz Iqbal Butt
Director

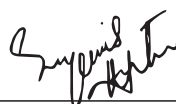


**ABL ISLAMIC STOCK FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
Note	----- Rupees in '000 -----	----- Rupees in '000 -----
Income		
Profit on savings accounts with banks	8,685	10,984
Dividend income	141,724	175,085
Loss on sale of investments - net	(33,468)	(274,325)
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.2 (43,721)	(451,133)
	(77,189)	(725,458)
Total income / (loss)	73,220	(539,389)
Expenses		
Remuneration of ABL Asset Management Company Limited - Management Company	8.1 36,177	62,005
Punjab Sales Tax on remuneration of the Management Company	8.2 5,788	9,921
Accounting and operational charges	8.4 1,807	3,100
Selling and marketing expenses	8.5 25,291	43,404
Remuneration of Digital Custodian Company Limited - Trustee	9.1 1,404	2,050
Sindh Sales Tax on remuneration of the Trustee	9.2 183	267
Annual fee to the Securities and Exchange Commission of Pakistan	10.1 362	620
Brokerage expense	9,512	15,748
Auditors' remuneration	13 697	637
Annual listing fee	28	28
Shariah advisory fee	358	358
Printing charges	151	122
Legal and professional charges	418	464
Settlement and bank charges	2,098	2,721
Total operating expenses	84,274	141,445
Reversal of provision for Sindh Workers' Welfare Fund	-	24,604
Net loss for the year before taxation	(11,054)	(656,230)
Taxation	14 -	-
Net loss for the year after taxation	(11,054)	(656,230)
Loss per unit	15 -	-
Allocation of net income for the year		
Net income for the year after taxation	-	-
Income already paid on units redeemed	-	-
Accounting income available for distribution:		
- Relating to capital gains	-	-
- Excluding capital gains	-	-

The annexed notes from 1 to 28 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)



Saqib Matin
Chief Financial Officer



Naveed Nasim
Chief Executive Officer



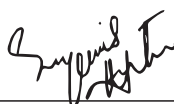
Pervaiz Iqbal Butt
Director

**ABL ISLAMIC STOCK FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
	----- Rupees in '000 -----	
Net loss for the year after taxation	(11,054)	(656,230)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	<u>(11,054)</u>	<u>(656,230)</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)



Saqib Matin
Chief Financial Officer



Naveed Nasim
Chief Executive Officer



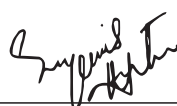
Pervaiz Iqbal Butt
Director

**ABL ISLAMIC STOCK FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	Rupees in '000					
Net assets at the beginning of the year	2,356,295	350,863	2,707,158	1,869,542	1,007,093	2,876,635
Issue of 99,242,624 (2022: 315,495,204) units						
- Capital value (at net asset value per unit at the beginning of the year)	1,307,581	-	1,307,581	5,118,720	-	5,118,720
- Element of income / (loss)	25,548	-	25,548	(332,374)	-	(332,374)
Total proceeds on issuance of units	1,333,129	-	1,333,129	4,786,346	-	4,786,346
Redemption of 219,570,550 (2022: 287,331,176) units						
- Capital value (at net asset value per unit at the beginning of the year)	2,892,974	-	2,892,974	4,661,776	-	4,661,776
- Element of (loss) / income	24,671	-	24,671	(362,183)	-	(362,183)
Total payments on redemption of units	2,917,645	-	2,917,645	4,299,593	-	4,299,593
Total comprehensive loss for the year	-	(11,054)	(11,054)	-	(656,230)	(656,230)
Distribution during the year	-	-	-	-	-	-
Net loss for the year less distribution	-	(11,054)	(11,054)	-	(656,230)	(656,230)
Net assets at the end of the year	771,779	339,809	1,111,588	2,356,295	350,863	2,707,158
Undistributed income brought forward						
- Realised income		801,996			678,999	
- Unrealised (loss) / income		(451,133)			328,094	
		<u>350,863</u>			<u>1,007,093</u>	
Accounting income available for distribution						
- Relating to capital gains		-			-	
- Excluding capital gains		-			-	
		-			-	
Net loss for the year after taxation		(11,054)			(656,230)	
Undistributed income carried forward		<u>339,809</u>			<u>350,863</u>	
Undistributed income carried forward						
- Realised income		383,530			801,996	
- Unrealised loss		(43,721)			(451,133)	
		<u>339,809</u>			<u>350,863</u>	
				(Rupees)		(Rupees)
Net asset value per unit at the beginning of the year				<u>13.1756</u>		<u>16.2244</u>
Net asset value per unit at the end of the year				<u>13.0562</u>		<u>13.1756</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)



Saqib Matin
Chief Financial Officer



Naveed Nasim
Chief Executive Officer



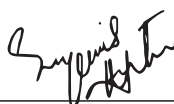
Pervaiz Iqbal Butt
Director

**ABL ISLAMIC STOCK FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year before taxation	(11,054)	(656,230)
Adjustments for:		
Profit on savings accounts with banks	(8,685)	(10,984)
Dividend income	(141,724)	(175,085)
Amortisation of preliminary expenses and floatation costs	-	-
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.2 43,721	451,133
	(106,688)	265,064
Increase in assets		
Deposits and other receivable	(1,548)	(4,013)
(Decrease) / increase in liabilities		
Payable to ABL Asset Management Company Limited - Management Company	(21,468)	(2,863)
Payable to the Digital Custodian Company Limited - Trustee	(66)	(25)
Payable to the Securities and Exchange Commission of Pakistan	(258)	2
Accrued expenses and other liabilities	(1,561)	(33,535)
	(23,353)	(36,421)
	(142,643)	(431,600)
Profit received on savings accounts	9,641	10,007
Dividend received	142,749	175,505
Net amount received / (paid) on purchase and sale of investments	1,417,342	(116,785)
Net cash generated from / (used in) operating activities	1,427,089	(362,873)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance and conversion of units	1,333,279	4,786,296
Payments against redemption and conversion of units	(2,902,732)	(4,299,593)
Net cash (used in) / generated from financing activities	(1,569,453)	486,703
Net (decrease) / increase in cash and cash equivalents during the year	(142,364)	123,830
Cash and cash equivalents at the beginning of the year	186,238	62,408
Cash and cash equivalents at the end of the year	4 43,874	186,238

The annexed notes from 1 to 28 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)



Saqib Matin
Chief Financial Officer



Naveed Nasim
Chief Executive Officer



Pervaiz Iqbal Butt
Director

ABL ISLAMIC STOCK FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 ABL Islamic Stock Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on June 23, 2010 between ABL Asset Management Company Limited as the Management Company and Digital Custodian Company Limited as the Trustee. The Offering Document of the Fund has been revised through the third supplement dated June 25, 2021 with the approval of the SECP. The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Trust Deed vide letter no. SCD/AMCW/502/2013 dated May 3, 2013 in accordance with the requirements of the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

During the year ended June 30, 2021, the Trust Act, 1882 had been repealed due to the promulgation of Provincial Trust Act namely "The Punjab Trusts Act, 2020" (the Punjab Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Consequently, the Fund was required to be registered under the Punjab Trust Act. Accordingly, on June 22, 2023, the Fund has been registered as a Trust under the Punjab Trust Act and has been issued a Trust Registration Certificate.

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at Plot No. 14, Main Boulevard, DHA Phase 6, Lahore. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

1.3 The Fund has been categorised as a Shariah compliant equity scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the Securities and Exchange Commission of Pakistan and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from June 12, 2013 and are transferable and redeemable by surrendering them to the Fund.

1.4 The objective of the Fund is to provide capital appreciation to investors through higher, long term risk adjusted returns which the Fund aims to deliver mainly by investing in a diversified Shariah compliant portfolio of equity instruments offering capital gain and dividends.

1.5 The Management Company has been assigned a quality rating of 'AM1' by Pakistan Credit Rating Agency (PACRA) dated October 26, 2022 (2022: 'AM2++' dated December 31, 2021). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

1.6 The titles to the assets of the Fund are held in the name of Digital Custodian Company Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been disclosed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2023. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.



2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires the management to exercise judgment in the application of the Fund's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors, including expectation of future events, that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying value of assets and liabilities. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both the current and future years.

The estimates and judgments that have a significant effect on these financial statements of the Fund relate to classification and valuation of financial assets (notes 3.2 and 5).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair values.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupee, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

3.1 Cash and cash equivalents

These comprise balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

3.2 Financial assets

3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.2 Classification and subsequent measurement

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the 'Statement of Assets and Liabilities' at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investments at FVOCI. The management considers its investment in equity securities being managed as a group of assets hence has classified as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVOCI are to be recognised in the Income Statement. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the Income Statement on derecognition.

3.2.3 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and at FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.2.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.3 Financial liabilities

3.3.1 Classification and subsequent measurement

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

3.3.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the "Statement of Assets and Liabilities" when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the 'Statement of Assets and Liabilities' is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.7 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

3.8 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place;
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise;
- Profit on bank balances is recognised on an accrual basis; and
- Dividend income is recognised when the Fund's right to receive the same is established i.e. on the commencement of date of book closure of the investee company declaring the dividend.

3.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the Income Statement on an accrual basis.

3.12 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders in cash.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

3.13 Loss per unit

Loss per unit is calculated by dividing the net loss for the year after taxation of the Fund by the weighted average number of units outstanding during the year. The determination of loss per unit is not practicable as disclosed in note 15.

3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4	BANK BALANCES	Note	2023 ----- Rupees in '000 -----	2022
	Balances with banks in:			
	Savings accounts	4.1	35,145	168,546
	Current account	4.2	8,729	17,692
			<u>43,874</u>	<u>186,238</u>

4.1 This include a balance of Rs. 14.085 million (2022: Rs. 16.815 million) maintained with Allied Bank Limited (a related party) that carries profit at the rate of 15.00% per annum (2022: 14.25%). Other savings accounts of the Fund carry profit rates ranging from 15.00% to 19.75% per annum (2022: 10.15% to 14.75% per annum).

4.2 This represents balance maintained with Allied Bank Limited (a related party).

5	INVESTMENTS	Note	2023 ----- Rupees in '000 -----	2022
	At fair value through profit or loss			
	Listed equity securities	5.1	<u>1,121,116</u>	<u>2,581,274</u>

5.1 Listed equity securities

Name of the investee company	As at July 1, 2022	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised (diminution) / appreciation as at June 30, 2023	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid-up capital of the investee company
	Number of shares held					Rupees in '000			%		
AUTOMOBILE ASSEMBLER											
Millat Tractors Limited	798	10,000	5,254	1,052	15,000	5,620	5,855	235	0.52%	0.53%	0.01%
Pak Suzuki Motor Company Limited	700	-	-	700	-	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	1,000	-	-	1,000	-	-	-	-	-	-	-
Gandhara Industries Limited	100	-	-	100	-	-	-	-	-	-	-
						5,620	5,855	235	0.52%	0.53%	
AUTOMOBILE PARTS AND ACCESSORIES											
Thal Limited * (note 5.1.1)	50	-	-	-	50	13	8	(5)	-	-	-
						13	8	(5)	-	-	-
CABLE & ELECTRICAL GOODS											
Pakistan Cables Limited	55,000	-	21,522	50	76,472	7,666	6,341	(1,325)	0.57%	0.57%	0.15%
Waves Home Appliances Limited	-	20,000	-	20,000	-	-	-	-	-	-	-
Waves Corporation Limited	100,000	-	-	100,000	-	-	-	-	-	-	-
						7,666	6,341	(1,325)	0.57%	0.57%	
CEMENT											
D.G Khan Cement Company Limited	-	1,185,000	-	1,000,000	185,000	9,806	9,491	(315)	0.85%	0.85%	0.04%
Kohat Cement Company Limited (note 5.1.3)	752,800	126,000	-	400,650	478,150	63,603	82,945	19,342	7.40%	7.46%	0.24%
Lucky Cement Limited (note 5.1.3)	568,325	198,000	-	622,500	143,825	68,158	75,090	6,932	6.70%	6.76%	0.05%
Attock Cement Pakistan Limited	1,600	-	-	1,600	-	-	-	-	-	-	-
Cherat Cement Company Limited (note 5.1.3)	372,303	1,028,500	-	1,201,999	198,804	23,995	23,912	(83)	2.13%	2.15%	0.10%
Pioneer Cement Limited	5,805	1,161,200	-	1,167,005	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited (note 5.1.3)	4,977,296	2,850,000	-	7,032,000	795,296	21,797	22,531	734	2.01%	2.03%	0.07%
Fauji Cement Company Limited	-	5,862,500	-	3,812,500	2,050,000	25,430	24,108	(1,322)	2.15%	2.17%	0.08%
						212,789	238,077	25,288	21.24%	21.42%	
Balance carried forward						226,088	250,281	24,193			
Balance brought forward						226,088	250,281	24,193			
CHEMICALS											
Lucky Core Industries Limited *	50	-	-	-	50	36	30	(6)	-	-	-
Lotte Chemical Pakistan Limited *	4,500	400,000	-	400,000	4,500	127	124	(3)	0.01%	0.01%	-
Enero Polymer & Chemicals Limited * (note 5.1.3)	151,675	-	-	151,600	75	6	3	(3)	-	-	-
						169	157	(12)	0.01%	0.01%	
COMMERCIAL BANKS											
Mezzan Bank Limited (note 5.1.3)	1,720,899	365,000	163,288	1,440,599	808,588	84,512	69,838	(14,674)	6.23%	6.28%	0.05%
Faysal Bank Limited	-	800,000	-	800,000	-	-	-	-	-	-	-
						84,512	69,838	(14,674)	6.23%	6.28%	
ENGINEERING											
Muzhal Iron & Steel Industries Limited	1,398,815	-	-	1,059,850	338,965	19,538	16,419	(3,119)	1.46%	1.48%	0.10%
International Steels Limited	-	130,000	-	-	130,000	5,839	5,269	(570)	0.47%	0.47%	0.03%
International Industries Limited	3,129	-	-	3,129	-	-	-	-	-	-	-
Aisha Steel Mills Limited	18,500	-	-	18,500	-	-	-	-	-	-	-
Asha Steel Industries Limited	10,500	-	-	10,500	-	-	-	-	-	-	-
						25,377	21,688	(3,689)	1.93%	1.95%	
FERTILIZER											
Enero Fertilizers Limited (note 5.1.3)	358,000	2,025,150	-	1,428,784	954,366	77,925	78,764	839	7.03%	7.09%	0.07%
Enero Corporation Limited (note 5.1.3)	615,819	292,500	-	623,211	285,108	75,568	74,097	(1,471)	6.61%	6.67%	0.05%
						153,493	152,861	(632)	13.64%	13.76%	
OIL & GAS EXPLORATION COMPANIES											
Mari Petroleum Company Limited	188,168	27,000	-	142,108	73,060	124,407	110,660	(13,747)	9.87%	9.96%	0.05%
Oil & Gas Development Company Limited (note 5.1.3)	2,778,400	1,448,000	-	2,839,311	1,387,089	112,931	108,193	(4,738)	9.65%	9.73%	0.03%
Pakistan Oilfields Limited	32,612	130,018	-	62,510	100,120	41,813	40,225	(1,588)	3.59%	3.62%	0.04%
Pakistan Petroleum Limited (note 5.1.3)	4,097,648	1,535,775	-	4,413,312	1,220,111	80,230	72,157	(8,073)	6.43%	6.49%	0.04%
						359,381	331,235	(28,146)	29.54%	29.80%	
OIL & GAS MARKETING COMPANIES											
Hascol Petroleum Limited * (note 5.1.2)	25,935	-	-	-	25,935	109	144	35	0.01%	0.01%	-
Pakistan State Oil Company Limited (note 5.1.2 and note 5.1.3)	716,092	150,000	-	749,000	117,092	19,430	12,998	(6,432)	1.16%	1.17%	0.02%
Attock Petroleum Limited	600	40,000	150	750	40,000	11,854	12,010	156	1.07%	1.08%	0.03%
Shell Pakistan Limited	3,500	54,000	-	57,500	-	-	-	-	-	-	-
Hi-Tech Lubricants Limited	12,600	-	-	12,600	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	1,501,850	1,908,000	-	3,117,350	292,500	11,590	11,516	(74)	1.03%	1.04%	0.05%
						42,983	36,668	(6,315)	3.27%	3.30%	
PAPER & BOARD											
Packages Limited	800	-	-	800	-	-	-	-	-	-	-
Century Paper & Board Mills Limited	-	457,000	200,660	309,000	348,660	13,251	9,846	(3,405)	0.88%	0.89%	0.09%
						13,251	9,846	(3,405)	0.88%	0.89%	
PHARMACEUTICALS											
The Searle Company Limited (note 5.1.2)	93,954	-	4,738	75,000	23,692	2,066	908	(1,158)	0.08%	0.08%	0.01%
Abbott Laboratories (Pakistan) Limited	19,200	-	-	-	19,200	12,569	7,104	(5,465)	0.63%	0.64%	0.02%
Citi Pharma Limited	456,000	130,000	-	85,000	501,000	16,383	10,691	(5,692)	0.95%	0.96%	0.22%
Ferozsons Laboratories Limited	-	91,000	18,200	27,500	81,700	18,213	11,181	(7,032)	1.00%	1.01%	0.19%
						49,231	29,884	(19,347)	2.66%	2.69%	

Name of the investee company	As at July 1, 2022	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised (diminution) / appreciation as at June 30, 2023	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid-up capital of the investee company
	Number of shares held					Rupees in '000			%		
POWER GENERATION & DISTRIBUTION											
The Hub Power Company Limited (note 5.1.3)	2,498,986	1,456,000	-	2,949,694	1,005,292	69,502	69,948	446	6.24%	6.29%	0.08%
Nishat Chumian Power Limited *	-	1,030,000	-	1,026,500	3,500	71	58	(13)	0.01%	0.01%	-
Nishat Power Limited	-	500,000	-	500,000	-	-	-	-	-	-	-
K-Electric Limited (note 5.1.1)	-	10,500,000	-	10,500,000	-	-	-	-	-	-	-
						69,573	70,006	433	6.25%	6.30%	
SUGAR AND ALLIED INDUSTRIES											
Faran Sugar Mills Limited	3,000	-	-	3,000	-	-	-	-	-	-	-
Balance carried forward						1,024,054	972,464	(51,591)			
Balance brought forward						1,024,054	972,464	(51,591)			
TEXTILE COMPOSITE											
Nishat Mills Limited	612,427	550,000	-	1,062,427	100,000	5,878	5,677	(201)	0.51%	0.51%	0.03%
Interloop Limited (note 5.1.3)	423,385	-	136,928	195,533	364,780	14,264	12,862	(1,402)	1.15%	1.16%	0.03%
Kohinoor Textile Mills Limited	259,500	-	-	259,500	-	-	-	-	-	-	-
						20,142	18,539	(1,603)	1.66%		
TECHNOLOGY & COMMUNICATION											
Systems Limited	359,812	150,000	-	311,200	198,612	69,839	80,106	10,267	7.14%	7.21%	0.07%
Avanceon Limited	200,612	475,000	-	675,612	-	-	-	-	-	-	-
Octopus Digital Limited	6,132	-	-	6,132	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	5,000	-	-	5,000	-	-	-	-	-	-	-
						69,839	80,106	10,267	7.14%	7.21%	
FOOD AND PERSONAL CARE PRODUCTS											
Unity Foods Limited	1,200,000	2,757,744	-	3,957,744	-	-	-	-	-	-	-
The Organic Meat Company Limited	-	500,000	48,750	-	548,750	12,858	11,403	(1,455)	1.02%	1.03%	0.41%
National Foods Limited	-	145,000	-	-	145,000	12,325	14,268	1,943	1.27%	1.28%	0.12%
At-Tahur Limited	860,088	-	86,008	173,000	773,096	13,403	12,725	(678)	1.14%	1.14%	0.35%
						38,586	38,396	(190)	3.43%	3.45%	
MISCELLANEOUS											
Tri-Pack Films Limited *	300	-	-	-	300	50	36	(14)	-	-	-
Pakistan Aluminium Beverage Cans Limited	-	200,000	-	200,000	-	-	-	-	-	-	-
Synthetic Products Enterprises Limited *	1,554	-	-	-	1,554	22	16	(6)	-	-	-
						72	52	(20)	-	-	-
REFINERY											
Attock Refinery Limited *	327,011	475,000	-	801,343	668	110	115	5	0.01%	0.01%	-
National Refinery Limited	500	50,000	-	50,500	-	-	-	-	-	-	-
						110	115	5	0.01%	0.01%	
TRANSPORT											
Pakistan International Bulk Terminal	65,000	-	-	65,000	-	-	-	-	-	-	-
Pakistan National Shipping Corporation	14,000	-	-	14,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
LEATHER & TANNERIES											
Service GlobalFootwear Limited	300,000	-	-	300,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
PROPERTY											
TPL Properties Limited	-	1,650,000	-	1,650,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
GLASS & CERAMICS											
Tariq Glass Industries Limited	39	168,000	9	-	168,048	12,030	11,444	(586)	1.02%	1.03%	0.10%
Shabbir Tiles & Ceramics Limited (note 5.1.1)	892,500	250,000	-	1,142,500	-	-	-	-	-	-	-
						12,030	11,444	(586)	1.02%	1.03%	
Total as at June 30, 2023						1,164,837	1,121,116	(43,721)	100.00%	100.87%	
Total as at June 30, 2022						3,032,407	2,581,274	(451,133)	100.00%	95.35%	

* Nil figures due to rounding off difference.

5.1.1 All shares have a face value of Rs. 10 each except for the shares of K-Electric Limited which have a nominal value of Rs. 3.5 each and Thal Limited and Shabbir Tiles & Ceramics Limited which have a nominal value of Rs. 5 each.

5.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of book closure of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgment on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 2019. During the year ended June 30, 2020, the CISs had filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh had issued notices to the relevant parties and had ordered that no third party interest on bonus shares issued to the funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the funds have included these shares in their portfolio, as the Management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies.

As at June 30, 2023, the following bonus shares of the Fund have been withheld by certain companies at the time of declaration of bonus shares.

Name of the investee company	2023		2022	
	-----Bonus shares-----			
	Number of shares	Market value as at June 30, Rupees in '000	Number of shares	Market value as at June 30, Rupees in '000
Hascol Petroleum Company Limited	25,935	144	25,935	109
The Searle Company Limited	18,035	691	14,428	1,573
Pakistan State Oil Company Limited	4,747	527	4,747	815
		<u>1,362</u>		<u>2,497</u>

5.1.3 The above investments includes shares of the following companies which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 of 2007 dated October 23, 2007 issued by the SECP. The details of shares which have been pledged are as follows:

Name of the investee company	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Numbers of shares)	(Numbers of shares)	(Rupees in '000)	(Rupees in '000)
Pakistan Petroleum Limited	1,000,000	1,262,480	59,140	85,230
Cherat Cement Company Limited	-	150,000	-	13,956
Engro Corporation Limited	250,000	500,000	64,973	128,545
Engro Polymer & Chemicals Limited	-	100,000	-	7,963
Engro Fertilizers Limited	-	300,000	-	26,592
The Hub Power Company Limited	900,000	2,050,000	62,622	139,749
Meezan Bank Limited	700,000	1,400,000	60,459	158,172
Oil & Gas Development Company Limited	1,200,000	1,605,000	93,600	126,265
Interloop Limited	200,000	300,000	7,052	18,300
Kohat Cement Company Limited	400,000	500,000	69,388	65,065
Lucky Cement Limited	130,000	400,000	67,872	183,616
Pakistan State Oil Company Limited	100,000	270,000	5,677	46,397
Maple Leaf Cement Factory Limited	700,000	1,100,000	77,707	30,085
	<u>5,580,000</u>	<u>9,937,480</u>	<u>516,037</u>	<u>1,029,935</u>

5.2	Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	Note	2023 ----- Rupees in '000 -----	2022
	Market value of investments	5.1	1,121,116	2,581,274
	Less: carrying value of investments	5.1	<u>(1,164,837)</u>	<u>(3,032,407)</u>
			<u>(43,721)</u>	<u>(451,133)</u>
6	DIVIDEND AND PROFIT RECEIVABLE			
	Profit receivable on savings accounts		435	1,391
	Dividend receivable		<u>-</u>	<u>1,025</u>
			<u>435</u>	<u>2,416</u>
7	DEPOSITS AND OTHER RECEIVABLE			
	Security deposit with:			
	Central Depository Company of Pakistan Limited		100	100
	National Clearing Company of Pakistan Limited		<u>2,500</u>	<u>2,500</u>
			2,600	2,600
	Advance tax	7.1	<u>7,072</u>	<u>5,524</u>
			<u>9,672</u>	<u>8,124</u>

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 150 and 151. However, withholding tax on profit on savings accounts and dividends paid to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide its letter C. no.1(43) DG (WHT)/2008-Vol.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on savings accounts and dividends amounts to Rs. 7.072 million (2022: Rs. 5.524 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan (SCP) by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the SCP granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit on savings accounts and dividends has been shown as advance tax under assets as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source is likely to be refunded.

8	PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note	2023 ----- Rupees in '000 -----	2022
	Remuneration payable	8.1	1,917	4,275
	Punjab Sales Tax payable on remuneration of the Management Company	8.2	4,225	4,603
	Federal Excise Duty payable on remuneration of the Management Company	8.3	26,584	26,584
	Accounting and operational charges payable	8.4	299	1,570
	Selling and marketing expenses payable	8.5	4,189	21,983
	Other payable		333	-
			<u>37,547</u>	<u>59,015</u>

8.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (2022: 2%) per annum of the average annual net assets of the Fund during the year ended June 30, 2023. The remuneration is payable to the Management Company monthly in arrears.

8.2 During the year, an amount of Rs. 5.788 million (2022: Rs 9.921 million) was charged on account of sales tax on remuneration of the Management Company levied through the Punjab Sales Tax on Services Act, 2012 at the rate of 16% (2022: 16%).

8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sales load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013, a constitutional petition was filed with the Honourable Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution, the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 26.584 million (2022: Rs. 26.584 million) is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2023 would have been higher by Re. 0.312 (2022: Re. 0.129) per unit.

- 8.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses for registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company, based on its own discretion, has charged such expenses at the rate of 0.1% (2022: 0.1%) of the average annual net assets of the Fund during the year ended June 30, 2023, subject to total expense charged being lower than actual expense incurred.

- 8.5 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the rate of 1.40% (2022: 1.40%) per annum of average annual net assets of the Fund during the year ended June 30, 2023 while keeping in view the overall return and total expense ratio limit of the Fund as defined under the NBFC Regulations, subject to total expense charged being lower than actual expense incurred.

**9 PAYABLE TO DIGITAL CUSTODIAN COMPANY LIMITED
- TRUSTEE - RELATED PARTY**

	Note	2023	2022
		----- Rupees in '000 -----	
Remuneration payable	9.1	89	148
Sindh Sales Tax payable on remuneration of the Trustee	9.2	12	19
		<u>101</u>	<u>167</u>

- 9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as follows:

Net assets (Rs.)	Fee
- Up to Rs. 1,000 million	0.10% per annum of net assets.
- On exceeding Rs 1,000 million and up to Rs. 5,000 million	Rs. 1 million plus 0.05% per annum of net assets on amount exceeding Rs. 1,000 million.
- On exceeding Rs 5,000 million	Rs. 3 million plus 0.045% per annum of net assets on amount exceeding Rs. 5,000 million.

- 9.2 During the year, an amount of Rs. 0.183 million (2022: Rs. 0.267) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2022: 13%).

**10 PAYABLE TO THE SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN**

	Note	2023	2022
		----- Rupees in '000 -----	
Annual fee payable	10.1	<u>362</u>	<u>620</u>

- 10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan at the rate of 0.02% (2022: 0.02%) per annum of the daily net assets of the Fund.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2023	2022
		----- Rupees in '000 -----	
Auditors' remuneration payable		480	443
Printing charges payable		100	100
Brokerage payable		251	1,801
Shariah advisory fee payable		30	30
Charity payable	11.1	8,826	8,822
Capital gain tax payable		<u>1</u>	<u>53</u>
		<u>9,688</u>	<u>11,249</u>

- 11.1** According to the instructions of the Shariah Advisor, income earned by the Fund from prohibited sources should be donated to charitable purposes.

During the year ended June 30, 2023, non-Shariah compliant income amounting to Rs. 8.826 million (2022: Rs. 8.822 million) was charged as an expense in the books of the Fund. This will be distributed as charity after the approval of the Shariah Advisor. The dividend income is recorded net of amount given as charity.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.

13 AUDITORS' REMUNERATION

	2023	2022
	----- Rupees in '000 -----	
Annual audit fee	330	300
Half yearly review of condensed interim financial statements	220	200
Fee for other certifications	40	40
Out of pocket expenses	63	50
	<u>653</u>	<u>590</u>
Sales Sales Tax	44	47
	<u>697</u>	<u>637</u>

14 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Fund has incurred net loss during the current year, therefore no provision for taxation has been made in these financial statements.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

15 LOSS PER UNIT

Loss per unit has not been disclosed in these financial statements as, in the opinion of the management, the determination of the cumulative weighted average number of outstanding units for calculating loss per unit is not practicable.

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 4.68% (2022: 4.56%) which includes 0.41% (2022: 0.41%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Equity Scheme'.

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 17.1** Connected persons / related parties include ABL Asset Management Company Limited being the Management Company, Digital Custodian Company Limited being the Trustee, other collective investment schemes being managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

- 17.2** Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

- 17.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations.

- 17.4** Remuneration to the Trustee is determined in accordance with the provisions of the Trust Deed.

- 17.5** Accounting and operational charges and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

17.6 The details of transactions carried out by the Fund with connected persons during the year and balances with them as at year end are as follows:

Transactions during the year	2023	2022
	----- Rupees in '000 -----	
ABL Asset Management Company Limited - Management Company		
Remuneration of the Management Company	36,177	62,005
Punjab Sales Tax on remuneration of the Management Company	5,788	9,921
Accounting and operational charges	1,807	3,100
Selling and marketing expenses	25,291	43,404
Issue of Nil (2022: 1,605,199) units	-	24,526
Redemption of 1,880,413 (2022: Nil) units	25,308	-
Digital Custodian Company Limited - Trustee		
Remuneration of the Trustee	1,404	2,050
Sindh Sales Tax on remuneration of the Trustee	183	267
Settlement charges	239	872
Allied Bank Limited		
Profit on savings account	2,029	3,490
Bank charges	247	185
ABL Islamic Financial Planning Fund (Conservative Allocation Plan)		
Redemption of 419,786 (2022: Nil) units	5,555	-
ABL Islamic Financial Planning Fund (Strategic Allocation Plan)		
Redemption of Nil (2022: 523,573) units	-	8,661
ABL Islamic Financial Planning Fund (Strategic Allocation Plan III)		
Issue of Nil (2022: Nil) units	-	-
Redemption of 7,377 (2022: 10,040) units	100	165
ABL Islamic Financial Planning Fund (Capital Preservation Plan I)		
Issue of 3,373,190 (2022: 4,420,688) units	47,000	70,574
Redemption of 3,378,788 (2022: 5,640,035) units	43,441	88,352
ABL Islamic Financial Planning Fund (Capital Preservation Plan II)		
Issue of 4,233,702 (2022: 4,420,688) units	57,000	-
Redemption of 4,233,702 (2022: 5,640,035) units	54,246	-
KEY MANAGEMENT PERSONNEL AND DIRECTORS OF THE MANAGEMENT COMPANY		
Muhammad Kamran Shahzad		
Issue of 234 (2022: 82,802) units	3	1,200
Redemption of 54,982 (2022: 27,820) units	713	426
Chief Financial Officer		
Issue of 64,208 (2022: 614,221) units	862	9,215
Redemption of 68,764 (2022: 732,283) units	932	10,700
Amounts / balances outstanding as at year end		
ABL Asset Management Company Limited - Management Company		
Remuneration payable	1,917	4,275
Punjab Sales Tax payable on remuneration of the Management Company	4,225	4,603
Federal Excise Duty payable on remuneration of the Management Company	26,584	26,584
Accounting and operational charges payable	299	1,570
Selling and marketing expenses payable	4,189	21,983
Other payable	333	-
Outstanding Nil (2022: 1,880,413) units	-	24,776
Digital Custodian Company Limited - Trustee		
Remuneration payable to the Trustee	89	148
Sindh Sales Tax payable on remuneration of the Trustee	12	19
Allied Bank Limited		
Balances with bank	22,814	34,507
Profit receivable on savings account	-	447

	2023	2022
	----- Rupees in '000 -----	
ABL Islamic Financial Planning Fund (Conservative Allocation Plan)		
Outstanding Nil (2022: 419,786) units	-	5,531
ABL Islamic Financial Planning Fund (Strategic Allocation Plan III)		
Outstanding 16,753 (2022: 24,130) units	219	318
ABL Islamic Financial Planning Fund (Capital Preservation Plan I)		
Outstanding Nil (2022: 5,598) units	-	74
Sindh Province Pension Fund		
Outstanding 25,086,672 (2022: 25,086,672) units	327,537	330,532
Sindh General Provident Investment Fund		
Outstanding 17,892,875 (2022: 17,892,875) units	233,613	235,749
KEY MANAGEMENT PERSONNEL AND DIRECTORS OF THE MANAGEMENT COMPANY		
Muhammad Kamran Shahzad		
Outstanding 234 (2022: 54,982) units	3	724
Ex - Chief Executive Officer *		
Outstanding Nil (2022: 737,600) units	-	9,718
Chief Financial Officer		
Outstanding 38,046 (2022: 42,602) units	497	561

* Current year figures have not been presented since Ex - Chief Executive Officer is not a related party as at year end.

17.7 Other balances due to / from related parties / connected persons are included in the respective notes to the financial statements.

18 FINANCIAL INSTRUMENTS BY CATEGORY

	2023		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees in '000 -----		
Financial assets			
Bank balances	43,874	-	43,874
Investments	-	1,121,116	1,121,116
Dividend and profit receivable	435	-	435
Deposits	2,600	-	2,600
	<u>46,909</u>	<u>1,121,116</u>	<u>1,168,025</u>
	2022		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees in '000 -----		
Financial assets			
Bank balances	186,238	-	186,238
Investments	-	2,581,274	2,581,274
Dividend and profit receivable	2,416	-	2,416
Deposits	2,600	-	2,600
Receivable against issuance and conversion of units	150	-	150
Receivable against sale of investments - net	7	-	7
	<u>191,411</u>	<u>2,581,274</u>	<u>2,772,685</u>
	2023	2022	
	At amortised cost		
	----- Rupees in '000 -----		
Financial liabilities			
Payable to ABL Asset Management Company Limited - Management Company	37,547	59,015	
Payable to Digital Custodian Company Limited - Trustee	101	167	
Payable against redemption and conversion of units	14,913	-	
Payable against purchase of investments - net	898	-	
Accrued expenses and other liabilities	9,687	11,196	
	<u>63,146</u>	<u>70,378</u>	

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

19.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

Market risk comprises of three types of risks: yield / profit rate risk, currency risk, and price risk.

(i) Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2023, the Fund is exposed to such risk on its balances with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow profit rate risk. In case of 100 basis points decrease / increase in applicable rates on the last repricing date with all other variables held constant, the net loss for the year and net assets of the Fund would have been higher / lower by Rs. 0.351 million (2022: Rs. 1.685 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value profit rate risk.

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

		2023				
Effective profit rate (%)		Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Up to three months	More than three months and up to one year	More than one year		
Rupees in '000						
Financial assets						
Bank balances	15.00% - 19.75%	35,145	-	-	8,729	43,874
Investments		-	-	-	1,121,116	1,121,116
Dividend and profit receivable		-	-	-	435	435
Deposits		-	-	-	2,600	2,600
		35,145	-	-	1,132,880	1,168,025
Financial liabilities						
Payable to ABL Asset Management Company Limited - Management Company					37,547	37,547
Payable to Digital Custodian Company Limited - Trustee					101	101
Payable against redemption and conversion of units					14,913	14,913
Payable against purchase of investments - net					898	898
Accrued expenses and other liabilities					9,687	9,687
		-	-	-	63,146	63,146
On-balance sheet gap		35,145	-	-	1,069,734	1,104,879
Total profit rate sensitivity gap		35,145	-	-		
Cumulative profit rate sensitivity gap		35,145	35,145	35,145		

2022						
Effective profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total	
	Up to three months	More than three months and up to one year	More than one year			
Rupees in '000						
Financial assets						
Bank balances	10.15% - 14.75%	168,546	-	-	17,692	186,238
Investments		-	-	-	2,581,274	2,581,274
Dividend and profit receivable		-	-	-	2,416	2,416
Deposits		-	-	-	2,600	2,600
Receivable against issuance and conversion of units		-	-	-	150	150
Receivable against sale of investments - net		-	-	-	7	7
		168,546	-	-	2,604,139	2,772,685
Financial liabilities						
Payable to ABL Asset Management Company Limited - Management Company		-	-	-	59,015	59,015
Payable to Digital Custodian Company Limited - Trustee		-	-	-	167	167
Accrued expenses and other liabilities		-	-	-	11,196	11,196
		-	-	-	70,378	70,378
On-balance sheet gap		168,546	-	-	2,533,761	2,702,307
Total profit rate sensitivity gap		168,546	-	-		
Cumulative profit rate sensitivity gap		168,546	168,546	168,546		

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to equity price risk on investments held by the Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities exposure to no more than 15% of net assets and issued capital of the investee company and sector exposure limit to 40% of the net assets.

In case of 5% increase / decrease in KMI Index (KMI 30) on June 30, 2023, with all other variables held constant, the total comprehensive loss of the Fund for the year would decrease / increase by Rs. 56.056 million (2022: Rs. 129.064 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KMI-30 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI-30 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KMI-30 Index.

19.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily settlement of equity securities and daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, 2008, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting year to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

2023						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
----- Rupees in '000 -----						
Financial assets						
Bank balances	43,874	-	-	-	-	43,874
Investments	-	-	-	-	1,121,116	1,121,116
Dividend and profit receivable	435	-	-	-	-	435
Deposits	-	-	-	-	2,600	2,600
	44,309	-	-	-	1,123,716	1,168,025
Financial liabilities						
Payable to ABL Asset Management Company Limited - Management Company	37,547	-	-	-	-	37,547
Payable to Digital Custodian Company Limited - Trustee	101	-	-	-	-	101
Payable against redemption and conversion of units	14,913	-	-	-	-	14,913
Payable against purchase of investments - net	898	-	-	-	-	898
Accrued expenses and other liabilities	9,207	480	-	-	-	9,687
	62,666	480	-	-	-	63,146
Net financial assets / (liabilities)	(18,357)	(480)	-	-	1,123,716	1,104,879
2022						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
----- Rupees in '000 -----						
Financial assets						
Bank balances	186,238	-	-	-	-	186,238
Investments	-	-	-	-	2,581,274	2,581,274
Dividend and profit receivable	2,416	-	-	-	-	2,416
Deposits	-	-	-	-	2,600	2,600
Receivable against issuance and conversion of units	150	-	-	-	-	150
Receivable against sale of investments - net	7	-	-	-	-	7
	188,811	-	-	-	2,583,874	2,772,685
Financial liabilities						
Payable to ABL Asset Management Company Limited - Management Company	59,015	-	-	-	-	59,015
Payable to Digital Custodian Company Limited - Trustee	167	-	-	-	-	167
Accrued expenses and other liabilities	10,753	443	-	-	-	11,196
	69,935	443	-	-	-	70,378
Net financial assets / (liabilities)	118,876	(443)	-	-	2,583,874	2,702,307

19.3 Credit risk

19.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
----- Rupees in '000 -----				
Bank balances	43,874	43,874	186,238	186,238
Investments in quoted equity securities	1,121,116	-	2,581,274	-
Dividend and profit receivable	435	435	2,416	2,416
Deposits	2,600	2,600	2,600	2,600
Receivable against issuance and conversion of units	-	-	150	150
Receivable against sale of investments - net	-	-	7	7
	<u>1,168,025</u>	<u>46,909</u>	<u>2,772,685</u>	<u>191,411</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets. Investment in equity securities, however, is not exposed to credit risk and have been excluded from the above analysis.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

19.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and profit accrued thereon. The credit rating profile of bank balances and its accrued profit is as follows:

Rating	% of financial assets exposed to credit risk	
	2023	2022
Bank balances and profit accrued thereon		
AAA	1.96%	5.21%
A+	-	1.50%
AA-	1.83%	-
	<u>3.79%</u>	<u>6.71%</u>

19.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. As transactions are entered with credit worthy parties and are within the regulatory limits, therefore any significant concentration of credit risk is mitigated.

All financial assets of the Fund as at June 30, 2023 and June 30, 2022 are unsecured and are not impaired.

20 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2023, and June 30, 2022 the Fund held the following financial instruments measured at fair value:

ASSETS	2023			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
At fair value through profit or loss				
Listed equity securities	1,121,116	-	-	1,121,116
	----- Rupees in '000 -----			
At fair value through profit or loss				
Listed equity securities	2,581,274	-	-	2,581,274

21 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 19, the Fund endeavors to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

22 UNIT HOLDING PATTERN OF THE FUND

Category	2023			2022		
	Number of unit holders	Investment amount	Percentage of total	Number of unit holders	Investment amount	Percentage of total
	(Rupees in '000)			(Rupees in '000)		
Individuals	508	147,978	13.31%	604	338,183	17.85%
Associated companies & directors	2	222	0.02%	8	372,234	1.40%
Insurance companies	2	118,736	10.68%	5	424,283	13.04%
Retirement Funds	10	842,401	75.79%	22	1,216,302	53.45%
Public limited companies	4	2,251	0.20%	5	341,142	13.62%
Others	-	-	-	1	15,014	0.64%
	526	1,111,588	100.00%	645	2,707,158	100.00%

23 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2023		2022	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Taurus Securities Limited	13.06%	Alfalah Clsa Securities (Private) Limited	13.46%
Topline Securities Limited	11.68%	Optimus Capital Management (Private) Limited	9.23%
Intermarket Securities Limited	10.83%	Arif Habib Limited	8.88%
Arif Habib Limited	10.48%	AKD Securities Limited	8.48%
Akik Capital (Private) Limited	9.94%	Insight Securities (Private) Limited	8.05%
Alfalah CLSA Securities (Private) Limited	9.67%	Ismail Iqbal Securities (Private) Limited	7.70%
Next Capital Limited	9.48%	Topline Securities Limited	7.06%
Insight Securities (Private) Limited	8.66%	Akik Capital (Private) Limited	4.94%
JS Global Capital Limited	8.45%	Next Capital Limited	4.67%
Ismail Iqbal Securities (Private) Limited	7.74%	JS Global Capital Limited	4.21%

24 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience (in years)
Mr. Naveed Nasim	Chief Executive Officer	MBA	24
Mr. Saqib Matin	CFO & Company Secretary	FCA & FPFA	24
Mr. Wajeeh Haider	Acting Head of Risk Management	M. Econ.	11
Mr. Fahad Aziz	Head of Fixed Income	MBA	17
Mr. Amjad Hussain	Senior Fund Manager - Equity	BS Hons. & CFA	10
Mr. Kamran Anwar	Fund Manager - Equity	MBA	7
Mr. Muhammad Abdul Hayee	Head of Research	MBA & CFA	15
Mr. Abdul Rehman Tahir	Fund Manager - Fixed Income	MBA & CFA	12

25 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Amjad Hussain	Senior Fund Manager - Equity	BS Hons. & CFA	ABL Financial Planning Fund, ABL Islamic Financial Planning Fund, ABL Mustaqbil Islamic Pension Fund, ABL Stock Fund and ABL Mustaqbil Pension Fund

26 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 72nd, 73rd, 74th and 75th meeting of the Board of Directors were held on August 24, 2022, October 26, 2022, February 14, 2023 and April 28, 2023, respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S. No	Name	Number of meetings			Meetings not attended
		Held	Attended	Leave granted	
1	Sheikh Mukhtar Ahmed	4	4	-	-
2	Mohammad Naeem Mukhtar	4	3	1	73rd
3	Muhammad Waseem Mukhtar	4	4	-	-
4	Mr. Aizid Razzaq Gill	4	4	-	-
5	Ms. Saira Shahid Hussain	4	4	-	-
6	Muhammad Kamran Shehzad	4	4	-	-
7	Pervaiz Iqbal Butt	4	4	-	-
8	Alee Khalid Ghaznavi *	2	2	-	-
9	Naveed Nasim ** (Chief Executive Officer)	2	2	-	-
Other persons					
10	Saqib Matin ***	4	4	-	-

* Mr. Alee Khalid Ghaznavi resigned from the position of Chief Executive Officer (CEO) with effect from January 25, 2023.

** Mr. Naveed Nasim was appointed as the Chief Executive Officer (CEO) with effect from February 1, 2023.

*** Saqib Matin attended the meetings as the Company Secretary.

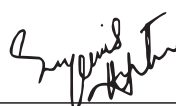
27 GENERAL

27.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 24, 2023** by the Board of Directors of the Management Company.

For ABL Asset Management Company Limited
(Management Company)



Saqib Matin
Chief Financial Officer



Naveed Nasim
Chief Executive Officer



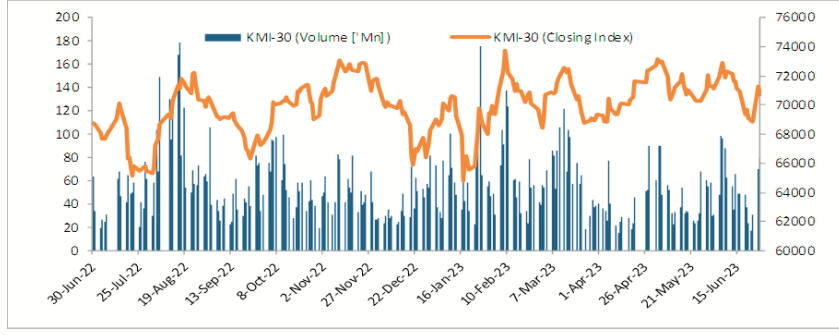
Pervaiz Iqbal Butt
Director



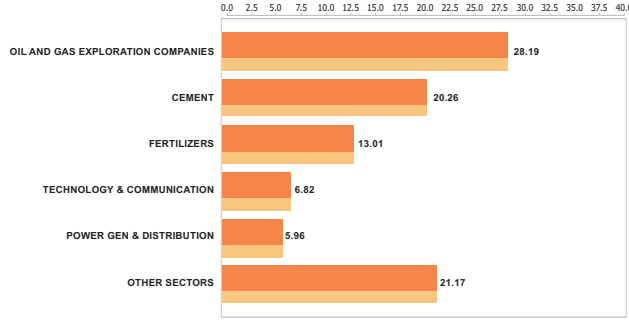
DISCLOSURE OF PROXY VOTING

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	4	4	-	-	-
(%ages)	100	100	-	-	-

The proxy voting policy of the CIS is available on the website of the AMC and detailed information regarding actual proxies voted by the AMC in respect of the CIS is also available without charge, upon request, to all unit holders.



SECTOR ALLOCATION (% OF TOTAL ASSETS)



آؤٹ لک

بین الاقوامی منڈی میں اشیاء کی آسمان چھوتی قیمتوں، ملک میں تباہ کن سیلاب، غیر ملکی زر مبادلہ کے ذخائر میں کمی اور سیاسی عدم استحکام سمیت متعدد عوامل کی وجہ سے مالی سال 23 کے دوران مارکیٹ شدید دباؤ کا شکار رہی۔ ان تمام متذکرہ بالا عوامل نے سی پی آئی انڈیکس کو تاریخی بلندی تک پہنچنے میں اہم کردار ادا کیا۔ مزید برآں، مرکزی بینک کی جانب سے سسٹمک مانیٹری پالیسی کو اپنانے سے ایکویٹی مارکیٹ کی کارکردگی کو کنٹرول میں رکھا گیا۔ آگے بڑھتے ہوئے، ہم توقع کرتے ہیں کہ ایکویٹی مارکیٹ پر فارم کرے گی کیونکہ دنیا بھر میں متوقع کساد بازاری کے درمیان بین الاقوامی مارکیٹ میں اشیاء کی قیمتیں ٹھنڈی ہو گئی ہیں۔ مزید یہ کہ انتخابات کے بعد متوقع ملکی سیاسی استحکام بھی ایک مثبت رفتار پیدا کرے گا۔

اعتراف

ہم اپنے قابل قدر سرمایہ کاروں کا شکریہ ادا کرتے ہیں جنہوں نے ہم پر اعتماد کیا ہے۔ بورڈ سیکوریٹیز اینڈ ایگزیکٹو کمیشن آف پاکستان، ٹرسٹی (ڈیجیٹل کسٹوڈین کمپنی لمیٹڈ) اور پاکستان اسٹاک ایکسچینج لمیٹڈ کے انتظامیہ کی ان کی مسلسل رہنمائی اور مدد کے لئے ان کا شکریہ بھی ادا کرتا ہے۔ ڈائریکٹرز انتظامی ٹیم کے ذریعہ کی جانے والی کوششوں کی بھی تعریف کرتے ہیں۔

بورڈ کی طرف سے اور بورڈ کے لئے

ڈائریکٹر

لاہور، 24 اگست، 2023

ABLISF
ABL Islamic Stock Fund

چیف ایگزیکٹو آفیسر

ABL Asset Management
Discover the potential

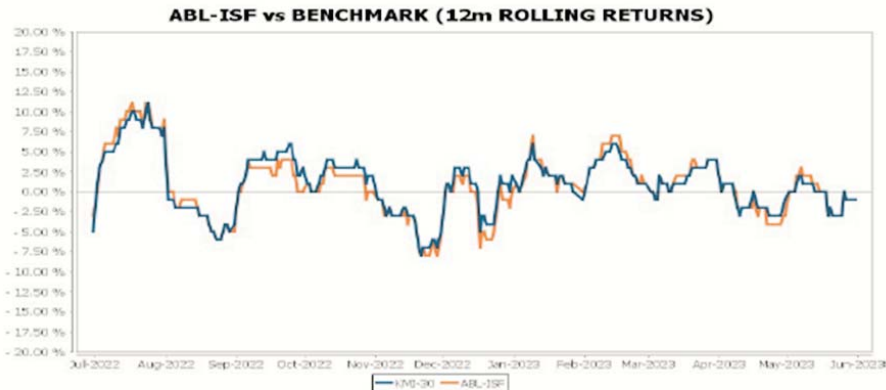
5. متعلقہ بین الاقوامی اکاؤنٹنگ معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، غیر بینکاری فنانس کمپنیوں (اسٹیبلشمنٹ اینڈ ریگولیشن) رولز 2003 اور نان بینکنگ فنانس کمپنیوں اور مطلع شدہ اداروں کے ضوابط، 2008 کی دفعات، ٹرسٹ ڈیڈ کی شرائط اور جاری کردہ ہدایات مالیاتی بیانات کی تیاری میں سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی پیروی کی گئی ہے۔
6. اندرونی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اس کو موثر انداز میں لاگو اور نگرانی کیا گیا ہے۔
7. فنڈز کی تشویش کی حیثیت سے جاری رکھنے کی اہلیت پر کوئی خاص شبہات نہیں ہیں۔
8. فنڈ کی کارکردگی کا جزو سالانہ رپورٹ کے صفحہ # 14 پر دیا گیا ہے۔
9. ٹیکسوں، ڈیوٹیوں، محصولات اور محصولات اور مالی معاوضوں میں پہلے ہی انکشاف کے علاوہ دیگر معاوضوں کی وجہ سے کوئی قانونی ادائیگی نہیں ہے۔
10. پروویڈنٹ فنڈ کی سرمایہ کاری کی قیمت کے بارے میں بیان فنڈ کے معاملے میں لاگو نہیں ہوتا ہے کیونکہ ملازمین کی ریٹائرمنٹ کے فوائد کے اخراجات انتظامیہ کمپنی برداشت کرتی ہے۔
11. 30 جون، 2023 کو یونٹ ہولڈنگز کا پیٹرن مالیاتی گوشوارے کے نوٹ نمبر 27 میں دیا گیا ہے۔

آڈیٹر

میسرز اے ایف فرگوسن اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس) کو، اے بی ایل اسلامک اسٹاک فنڈ (اے بی ایل - آئی ایس ایف) کے لئے 30 جون 2023 کو ختم ہونے والی مدت کے لئے آڈیٹر مقرر کیا گیا ہے۔

مینجمنٹ کمپنی کی کوالٹی کی درجہ بندی

26 اکتوبر 2022 کو: پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے ABL ایسیٹ مینجمنٹ کمپنی (ABL AMC) کی مینجمنٹ کوالٹی ریٹنگ (MQR) کو 'AM-One' (AM1) پر اپ گریڈ کر دیا ہے۔ تفویض کردہ درجہ بندی پر آؤٹ لک 'مستحکم' ہے۔



ٹیکنالوجی اور کمیونیکیشن

ٹیکنالوجی کے شعبے نے بیچ مارک سے آگے نکل کر شاندار کارکردگی کا مظاہرہ کیا، سال بہ سال 11.4% کی مثبت واپسی حاصل کی، جبکہ بیچ مارک نے سال بہ سال 0.2% کی منفی واپسی کا تجربہ کیا۔ اس قابل ذکر کارکردگی کو ٹیکنالوجی کے شعبے کے برآمدی کاروباری ماڈل سے حاصل ہونے والے فوائد سے منسوب کیا جاسکتا ہے، جس نے امریکی ڈالر کی نسبت PKR کی قدر میں نمایاں فائدہ اٹھایا۔

سیمنٹ

سیمنٹ سیکٹر نے YoY% 0.2 کے بیچ مارک منفی منافع کے مقابلے میں YoY% 12.2 کی مثبت واپسی پوسٹ کر کے زبردست کارکردگی کا مظاہرہ کیا۔ اس قابل ذکر کارکردگی کی وجہ سیمنٹ اسٹاک میں سرمایہ کاری میں اضافہ ہوا ہے جس کی وجہ سستی قیمت ہے جو بین الاقوامی منڈی میں کونسلے کی قیمت میں کمی کے ساتھ ہے۔ جیسا کہ ہم آگے دیکھتے ہیں، انتخابی سال کی وجہ سے تعمیراتی شعبہ دباؤ میں رہ سکتا ہے، جو اکثر غیر یقینی صورتحال کو متعارف کرواتا ہے اور تعمیراتی صنعت میں محتاط اخراجات کا باعث بن سکتا ہے۔ مزید برآں، آئی ایم ایف کی طرف سے مقرر کردہ شرائط کو پورا کرنے کے اقدامات کے حصے کے طور پر پبلک سیکٹر ڈویلپمنٹ پروگرام (PSDP) میں متوقع کمی ہے۔

فنڈ کی کارکردگی

مالی سال 23 کو ختم ہونے والے سال کے لیے، ABL-ISF نے 2.88% کے بیچ مارک ریٹرن کے مقابلے میں 0.91% کا منفی ریٹرن دیا، جو کہ 3.79% کی کم کارکردگی کو ظاہر کرتا ہے۔ سال کے دوران ABL اسلامک سٹاک فنڈ کی AUM میں 59% کی کمی واقع ہوئی اور روپے ہو گئی۔ 30 جون 23 کو 1.111 بلین روپے کے مقابلے میں۔ 30 جون 22 کو 2.707 بلین ABL-ISF اسلامی ایکویٹی فنڈ کے زمرے میں بہترین کارکردگی کا مظاہرہ کرنے والا فنڈ ہے۔ ABL-ISF نے 86.44% کے بیچ مارک ریٹرن کے مقابلے میں 65.15% کی شروعات سے واپسی پوسٹ کی۔

اضافی معاملات

1. انتظامیہ کمپنی کے ڈائریکٹرز کی تفصیل اس سالانہ رپورٹ میں ظاہر کی گئی ہے۔
2. مالی بیانات معاملات کی منصفانہ حالت، پیش کردہ کارروائیوں، نقد بہاؤ اور یونٹ ہولڈر کے فنڈ میں بدلاؤ پیش کرتے ہیں۔
3. فنڈ کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئیں۔
4. مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط فیصلوں پر مبنی ہوتا ہے۔

بینکنگ انڈسٹری کی ترقی میں جون 23 کے آخر تک QoQ میں 3.1% اضافہ ہوا، جو کہ 8.2% QoQ کی ڈپازٹ گروتھ سے کم ہے، جس نے بینکنگ سیکٹر کی مجموعی ADR کو 47.8% تک پہنچا دیا۔

بینکنگ سیکٹر کا IDR جون 23 تک 81.9 فیصد رہا کیونکہ بینکوں نے سرکاری کاغذات کے ذریعے محفوظ منافع پر توجہ مرکوز کی۔

اس مدت کے دوران قرض دینے کی اوسط شرح مئی 23 تک بڑھ کر 19.4 فیصد تک پہنچ گئی (693 bps سال سے زیادہ)۔

آگے بڑھتے ہوئے، ہم توقع کرتے ہیں کہ بینک اثاثوں کی پیداوار کو سپورٹ کرنے کے لیے سمجھدار قرض دینے کے طریقہ کار کے ساتھ زیادہ پیداوار والے بانڈز میں سرمایہ کاری جاری رکھیں گے۔

اس کے علاوہ، کرنسی کے اتار چڑھاؤ (QCY232 اوسط: -0.77%) کے درمیان بینک FX آمدنی میں معمولی اضافہ دیکھ سکتے ہیں۔

بڑھتی ہوئی افراط زر کے دباؤ کی وجہ سے OpEx بھی بلند رہنے والا ہے (CPI 2QCY23 اوسط: 34.6% بمقابلہ QCY231 اوسط 31.5%)۔

پاور سیکٹر

KSE-100 انڈیکس کے مقابلے میں پاور سیکٹر نے نمایاں کم کارکردگی کا مظاہرہ کیا، کیونکہ اس نے YoY منفی ریٹرن پوسٹ کیا، اس کے برعکس بیچ مارک کی 0.2% YoY کی معمولی کمی۔ پاور سیکٹر کی ناقص کارکردگی کو بنیادی طور پر خود مختار پاور پروڈیوسرز کو درپیش لیکویڈیٹی کے مسائل سے منسوب کیا جاسکتا ہے، جو بڑھتے ہوئے گردش قرضے سے پیدا ہوتا ہے۔ رپورٹس کے مطابق، پاور سیکٹر کا گردش قرضہ 2.6tn PKR تک پہنچ گیا ہے اور ماہانہ بنیادوں پر 50-55bn کا اضافہ ہو رہا ہے۔ آگے دیکھتے ہوئے، بجلی کا شعبہ بجلی کے نرخوں میں اضافہ کر کے گردش قرضوں کے مزید ڈھیر کو کم کرنے کے حوالے سے آئی ایم ایف کی طرف سے عائد کردہ شرائط سے فائدہ اٹھا سکتا ہے۔

کھاد کا شعبہ

FY23 کے دوران، کھاد کے شعبے نے بیچ مارک کے مقابلے میں کم کارکردگی کا مظاہرہ کیا، کیونکہ اس نے 0.2% کے بیچ مارک کی کمی کے مقابلے میں 9.6% کی منفی واپسی ریکارڈ کی۔ اس شعبے کی اس مایوس کن کارکردگی کی وجہ کھاد کی مصنوعات کی خریداری میں کمی کو قرار دیا جاسکتا ہے، جس کا مشاہدہ نیشنل فرٹیلائزر ڈویلپمنٹ سینٹر (NFDC) کے ذریعہ رپورٹ کردہ نمبروں سے ہوتا ہے۔ اسی مدت کے دوران یوریا کی خریداری میں 7.0% YoY اور DAP کی خریداری میں 29.0% کی کمی واقع ہوئی۔ ملک میں تباہ کن سیلاب کے درمیان خاص طور پر ڈی اے پی کی زیادہ قیمتیں کسانوں کی طرف سے کھاد کی مصنوعات کے کم استعمال کی بنیادی وجوہات رہی ہیں۔ اگرچہ بین الاقوامی منڈی میں اجناس کی قیمتیں کسی حد تک ٹھنڈی ہو چکی ہیں، لیکن وہ اب بھی گھریلو کھلاڑیوں کو قیمتوں میں اضافے کی گنجائش فراہم کرتی ہیں تاکہ آئی ایم ایف کی ضرورت کو پورا کرنے کے لیے گیس کی قیمتوں میں متوقع اضافے کے اثرات سے گزر سکیں۔

سیکٹر کا جائزہ آٹو موبائل سیکٹر

پاکستان آٹو موبائل سیکٹر میں سال 22 میں 234,180 یونٹس کے مقابلے میں FY23 میں مسافر کاروں کی فروخت میں تقریباً 59% کی کمی دیکھنے میں آئی ہے جو کہ 96,812 یونٹس رہی۔ درج کردہ پلیئرز HCAR، INDU اور PSMC کے YOY سلیز والیوم میں مذکورہ مدت میں بالترتیب 58%، 57% اور 57% کی کمی واقع ہوئی۔ FY23 میں یہ زبردست کمی درآمدی پابندیوں، بلند شرح سود، اور بڑھتی ہوئی افراط زر اور PKR کی قدر میں کمی کے درمیان کاروں کی انتہائی بلند قیمتوں کی وجہ سے ہے۔ آگے بڑھتے ہوئے، ہمیں یقین ہے کہ صنعت آٹو سلیز میں اسی طرح کے رجحانات کا مشاہدہ کرے گی جب تک کہ معاشی صورتحال کو تبدیل نہیں کیا جاتا۔

آئل اینڈ گیس سیکٹر

مالی سال 23 کے لیے تیل اور گیس کی تلاش کے شعبے کی آمدنی میں گرین بیک کے مقابلے میں پاکستانی روپے کی شدید گراؤٹ کی وجہ سے معقول اضافہ متوقع ہے، جس نے ان کمپنیوں کی آمدنی میں اضافہ کیا اور اس کے نتیجے میں بھاری زر مبادلہ میں اضافہ ہوا۔ تاہم، میلہ، ناشپا، KPD-TAY، ادھی، اچ، سوئی، قادر پور، مرزئی، اور مردان خیل جیسے بڑے شعبوں میں قدرتی کمی کی وجہ سے تیل اور گیس کی پیداوار میں بالترتیب 6% اور 4% سالانہ کمی واقع ہوئی۔ مزید برآں، SBP کے پاس موجود FX ذخائر کی کمی کی وجہ سے، کمپنیوں کو ڈرلنگ کی سرگرمی کے لیے آلات، اسپیر پارٹس، اور دیگر مواد درآمد کرنے میں مسائل کا سامنا کرنا پڑا، جس کے نتیجے میں سال کے دوران نچلے کنومیں پھٹ گئے۔ دریں اثنا، کمپنیوں کے تصفیے کے گردشی قرضے سے متعلق واجب الادا وصولیوں کی دوبارہ شرح ملٹی پلس ہوگی۔ اس کے علاوہ، MARI نے FY23 میں اپنا سچل گیس پروسیڈنگ کمپلیکس پروجیکٹ مکمل کیا، جس میں اب 150 mmcfd گیس شامل ہو رہی ہے۔

بینکنگ سیکٹر

بینکنگ سیکٹر نے HCY23 کے دوران KSE100 کو 2.03% (کل واپسی 1.15%) سے بہتر کارکردگی کا مظاہرہ کیا۔

منافع کے لحاظ سے، QCY23 کے دوران، پالیسی کی شرح میں اضافے اور مضبوط بیلنس شیٹ کی نمو کے درمیان بینکنگ سیکٹر سے سالانہ آمدنی میں اضافہ متوقع ہے۔

بہتر NIMs کی توقع سرمایہ کاری پر زیادہ پیداوار کے ذریعے کی جاتی ہے، بنیادی طور پر فلوٹر بانڈز اور T-Bills سے، اور ایڈوانس پر زیادہ پیداوار کے ساتھ، ریکارڈ زیادہ پیداوار اور KIBOR کے پیش نظر۔

تاہم، یہ نوٹ کرنا ضروری ہے کہ مالی سال 24 کے بجٹ میں سپر ٹیکس کی شرح میں 4% سے 10% تک اضافے کا مجموعی منافع بخش بینکنگ سیکٹر پر منفی اثر پڑے گا۔ اس کے نتیجے میں بینکوں کی آمدنی میں QoQ میں کمی آئے گی۔

میوچل فنڈ انڈسٹری کا جائزہ

اوپن اینڈ میوچل فنڈ انڈسٹری کے کل اثاثوں کے زیر انتظام (AUMs) میں مالی سال 23 کے دوران 29 فیصد اضافہ ہوا (1274 بلین روپے سے 1643 بلین تک)، بنیادی طور پر کرنسی مارکیٹ میں کافی بہاؤ اور فکسڈ انکم فنڈز میں اضافے کی وجہ سے شرح سود، بڑھتے ہوئے ٹی بلز اور پی آئی بیز کی پیداوار کے ساتھ۔ ایکویٹی مارکیٹ فنڈز، بشمول روایتی اور اسلامی، میں 29% کی کمی دیکھی گئی جو اس مدت کو 130.4 بلین روپے پر بند کرتی ہے۔ اگرچہ، کل منی مارکیٹ اور فکسڈ انکم فنڈز کے AUMs بالترتیب 35% اور 46% بڑھ کر 917 بلین روپے اور 438 بلین ہو گئے۔

اسلامی اسٹاک مارکیٹ جائزہ

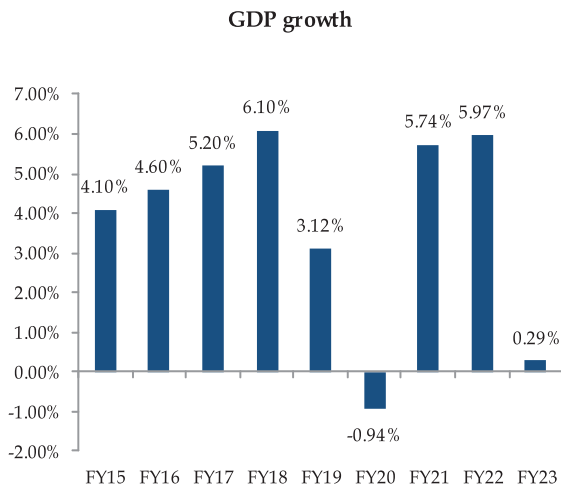
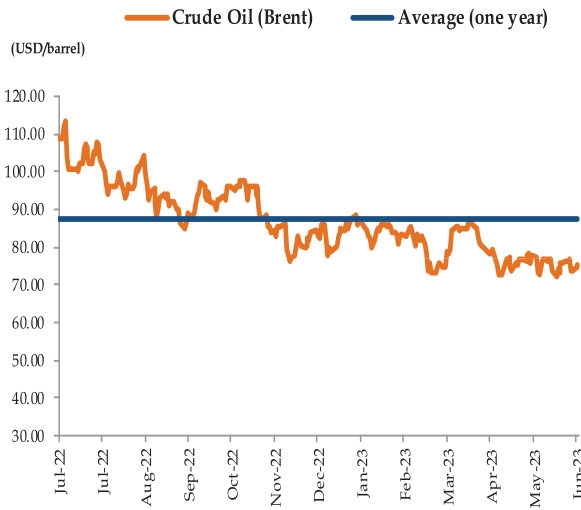
مالی سال 23 کے دوران، KMI-30 انڈیکس نے معمولی کارکردگی دکھائی، جو کہ 2.88% YoY کا اضافہ ہوا، اور 70,748 پوائنٹس پر بند ہوا۔ متعلقہ مدت کے دوران مجموعی طور پر معاشی اور سیاسی صورتحال کمزور رہی۔ ابتدائی طور پر، حکومت آئی ایم ایف پروگرام کو مکمل طور پر بحال کرنے میں ناکام نظر آتی ہے جس کی وجہ سے سرمایہ کاروں میں شدید تشویش پائی جاتی ہے۔ کئی اشارے ریکارڈ کی سطح پر پہنچ گئے جیسے پالیسی ریٹ 22%، مئی 23 کے مہینے کے لیے 38% CPI پر اور PKR مسلسل اپنی قدر کھو بیٹھا اور مدت 286.5 USD / PKR پر بند ہوئی۔ تاہم، مسلسل کوششوں کے بعد پاکستان نے مالی سال کے آخری دن آئی ایم ایف کے ساتھ 3 ارب امریکی ڈالر کے اسٹینڈ بائی آرینجمنٹ پر دستخط کر کے ایک اہم پیش رفت حاصل کرنے میں کامیابی حاصل کی جس سے معیشت کو راحت کی سانس ملی۔

اوسط تجارت کے حجم میں 6% YoY اضافہ ہوا جبکہ قیمت 38% YoY کی کمی سے بالترتیب 56 ملین اور 13 USD ملین ہو گئی۔ غیر ملکیوں نے مذکورہ مدت کے دوران 1 USD ملین کے شیئرز خریدے۔ مقامی محاذ پر، میوچل فنڈز اور انشورنس کمپنیاں، بالترتیب 144 ملین امریکی ڈالر اور 124 ملین امریکی ڈالر کی خالص فروخت کے ساتھ سب سے آگے رہیں۔

انڈیکس کی مضبوطی میں حصہ ڈالنے والے شعبے فریٹلائزر تھے اور سیمنٹ نے بالترتیب 2,281 اور 1,220 پوائنٹس کا اضافہ کیا۔ دوسری طرف، تیل اور گیس کی مارکیٹنگ کمپنیوں، اور کیمیکل سیکٹرز نے بالترتیب 868 اور 840 پوائنٹس کو گھٹا کر انڈیکس پر منفی اثر ڈالا۔

آگے بڑھتے ہوئے، ہم سمجھتے ہیں کہ IMF کے موقف پر کامیاب پیروی، اگست میں اسمبلیوں کی مدت کی تحلیل / مکمل ہونے اور اس کے بعد ہونے والے عام انتخابات مارکیٹ کی قسمت کا تعین کرنے میں کلیدی توجہ رہیں گے۔

پورے FY23 کے دوران، کنزومر پرائس انڈیکس (CPI) نے تشویشناک تصویر پیش کی ہے جس میں افراط زر کی اوسط شرح 29.0% YOY تک پہنچ گئی ہے جو پچھلے سال کی اسی مدت میں 12.1% YOY تھی۔ قیمت میں یہ نمایاں اضافہ نقل و حمل، رہائش اور خوراک سمیت مختلف شعبوں میں دیکھا گیا ہے۔ تاریخی بلند افراط زر کئی عوامل سے منسوب ہے جیسے توانائی کے نرخوں میں اضافہ، ایندھن کی قیمتوں میں اضافہ، USD کے مقابلے میں PKR کی قدر میں کمی اور ملک میں غیر معمولی سیلاب کے نتیجے میں سپلائی کے جھٹکے۔ فوڈ انڈیکس میں مشاہدہ کیے گئے مذکورہ عوامل کی عکاسی جس نے ہیڈ لائن افراط زر میں سب سے زیادہ حصہ ڈالا۔ آگے دیکھتے ہوئے، ہم توقع کرتے ہیں کہ پورے سال کی افراط زر دوہرے ہندسوں میں رہے گی۔ یہ مقالہ آئی ایم ایف کی ضرورت کو پورا کرنے کے لیے بجلی اور گیس کے نرخوں میں متوقع اضافے پر مبنی ہے جس سے براہ راست یا بالواسطہ سی پی آئی انڈیکس میں اضافہ ہوگا۔ مزید برآں، مارکیٹ پر مبنی شرح مبادلہ کی وجہ سے PKR کی متوقع قدر میں کمی اور درآمدی پابندی کے خاتمے سے قیمت کی سطح میں اضافے کے رجحان میں بھی حصہ ڈال سکتا ہے۔



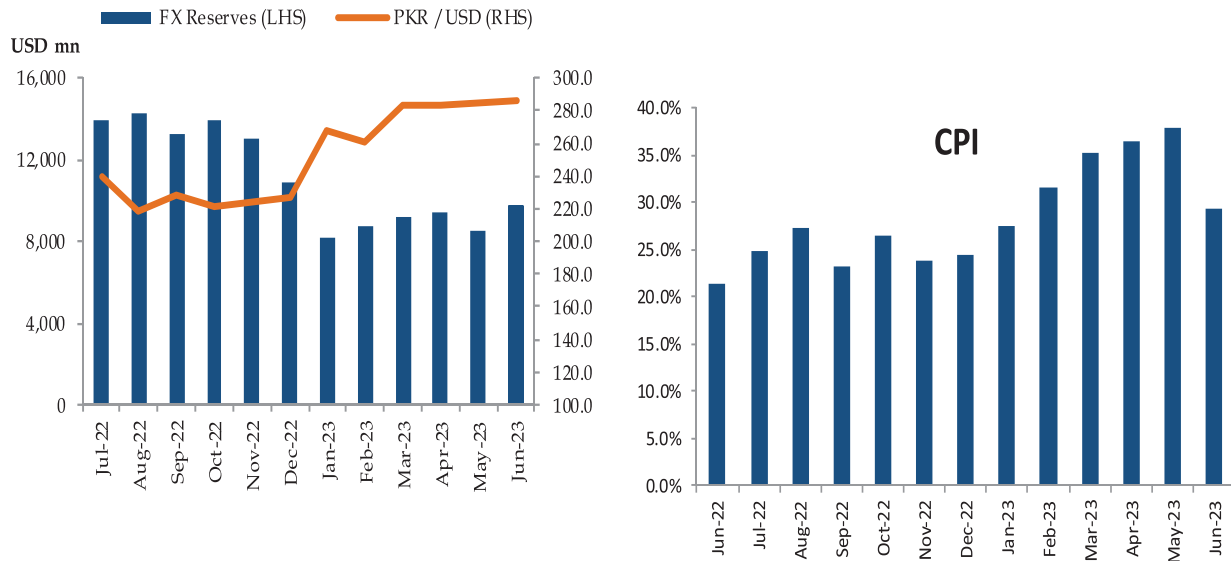
ادائیگی کے توازن کے محاذ پر، ملک نے گزشتہ سال کی اسی مدت میں USD 15.2bn کے خسارے کے مقابلے میں USD 2.9bn کا مجموعی خسارہ پوسٹ کر کے نمایاں بہتری حاصل کی ہے۔ کرنٹ اکاؤنٹ خسارے میں اس کمی کو بنیادی طور پر تجارتی خسارے میں 35.1 فیصد سال بہ سال کمی سے منسوب کیا جاسکتا ہے، جو درآمدات کو کم کرنے کے لیے اقدامات کے ذریعے حاصل کیا گیا ہے۔ مزید برآں، ترسیلات زر میں 15.8 فیصد کمی واقع ہوئی ہے جو کہ USD 27bn تک پہنچ گئی ہے۔ یہ بات قابل ذکر ہے کہ انٹرنیٹ اور اوپن مارکیٹ میں زر مبادلہ کی شرحوں کے درمیان کافی تفاوت برقرار ہے، جس سے غیر ملکیوں کو اوپن مارکیٹ ریٹ پر کرنسی کے تبادلے کا موقع ملا جس کے نتیجے میں ترسیلات زر میں کمی آئی ہے۔ ملک کے زر مبادلہ کے ذخائر 30 جون 2023 تک 9.1 بلین امریکی ڈالر تھے جو 2 ماہ کا کل درآمدی احاطہ فراہم کرتے ہیں۔

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

اے بی ایل اسلامک اسٹاک فنڈ (اے بی ایل - آئی ایس ایف) کی انتظامیہ کمپنی، اے بی ایل ایسٹ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون، 2023 کو ختم ہونے والے سال کے لئے اے بی ایل اسلامک اسٹاک فنڈ کے آڈٹ شدہ فنانشل اسٹیٹمنٹ پیش کرنے پر خوشی محسوس کرتے ہیں۔

اقتصادی کارکردگی کا جائزہ

معاشی منظر نامے کو شدید معاشی عدم توازن، جڑواں خسارہ، ایک بے مثال سیلاب، سپلائی کے جھٹکے، سیاسی عدم استحکام اور عالمی معاشی سست روی نے متاثر کیا ہے۔ نتیجتاً، مالی سال 23ء کے لیے مجموعی اقتصادی نمو صرف 0.3 فیصد سالانہ شرح نمو کے ساتھ متاثر ہوئی ہے۔ تاہم، یہ بات قابل توجہ ہے کہ زراعت اور خدمات کے شعبے نے بالترتیب 1.6% اور 0.9% کی نمو کے ذریعے اس معمولی اقتصادی ترقی کی رفتار میں مثبت کردار ادا کیا جبکہ اسی عرصے کے دوران صنعتی شعبے کی کارکردگی مایوس کن رہی، جس میں 2.9% کی منفی نمو ظاہر ہوئی۔ صنعتی ترقی کی ناقص کارکردگی بنیادی طور پر غیر ملکی زرمبادلہ کے کم ہوتے ذخائر کے درمیان محدود درآمدی پالیسی کی وجہ سے تھی۔ صنعتی خام مال کی درآمد پر عائد پابندیاں پیداواری عمل میں رکاوٹیں بنی ہوئی ہیں، جس سے بڑے پیمانے پر مینوفیکچرنگ پر منفی اثر پڑتا ہے۔ FY23 میں فی کس آمدنی USD 1765 سے کم ہو کر USD 1568 تک پہنچ گئی ہے۔ اس کمی کو امریکی ڈالر کی نسبت PKR کی قدر میں کمی اور مجموعی گھریلو پیداوار (GDP) کے سکڑاؤ سے منسوب کیا جاسکتا ہے۔





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